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## THE UNIVERSITY OF ALBERTA

# FARM LAND TENURE IN ALBERTA: ATTITUDINAL AND SOCIO-ECONOMIC VARIABLES

by



#### A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH
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#### ABSTRACT

The institution of land tenure is a concept which involves the many relationships established among people that determine their varying rights to control, occupy and use landed property. This study incorporated the analysis techniques of spatial distribution used in agricultural geography with techniques of socio-economic and attitudinal analysis used in economic and behavioural geography, to investigate these relationships.

The literature of land tenure and property rights was reviewed and major trends in the Alberta land tenure system using census data were established. It was found that part-owner/part-tenant operatorship was increasing both in number and size of acreage operated. Property transfers were predominately by direct purchase and family intergeneration transfer was an increasing problem. This seemed to account for the large proportion of operator and family off-farm employment.

Three sets of hypotheses were developed, based on the land tenure literature and census data review. They were:

- A. that the greater the acreage of land owned
  - i) the greater would be the perceived amount of land owned and value of production;
- ii) the lower would be the perceived value of land (relative to that of persons renting land);
  - iii) the higher would be the age grouping;
    - iv) the lower would be the level of formal education;

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- B. that high scores on a Likert attitude measurement scale based on affinity to land ownership would correlate
  - i) positively with number of acres owned, percentage of land owned in farm investment, age grouping of 45-54, business organization as a private individual; and
  - ii) negatively with number of acres rented, amount of offfarm income;
- C. that an analysis of attitude towards land ownership using the semantic differential technique could
  - i) identify major dimensions of the attitude; and
  - ii) would correlate positively with scores obtained using the Likert attitude measurement scales.

Hypotheses Aii and Aiv were valid; however, Ai and Aiii were not. Hypotheses Bi and Bii were valid with the exception of a negative correlation of Likert attitude scale scores and number of acres owned. Hypothesis C could not be tested.

Data for this analysis were obtained from census statistics and a province-wide simple random sample mail questionnaire.

Statistical measures of association as well as the Likert attitude measurement and semantic differential scales were used to investigate socio-economic and attitudinal interrelationships with respect to land ownership. The Likert attitude measurement scale found predictable responses to freedom of ownership, leasing and efficiency statements as well as surprisingly, identifying a predilection for socialistic land ownership philosophy. The semantic differential scale was found unsuitable for use by mail questionnaire.

Analysis of attitude statements as well as questionnaire comments indicated a lack of knowledge as well as understanding of land use and ownership planning mechanisms by farm people. Eradicating ignorance of this issue must become a high priority for government and farm organization extension personnel if land tenure problems are to be avoided in the future.



#### **ACKNOWLEDGEMENTS**

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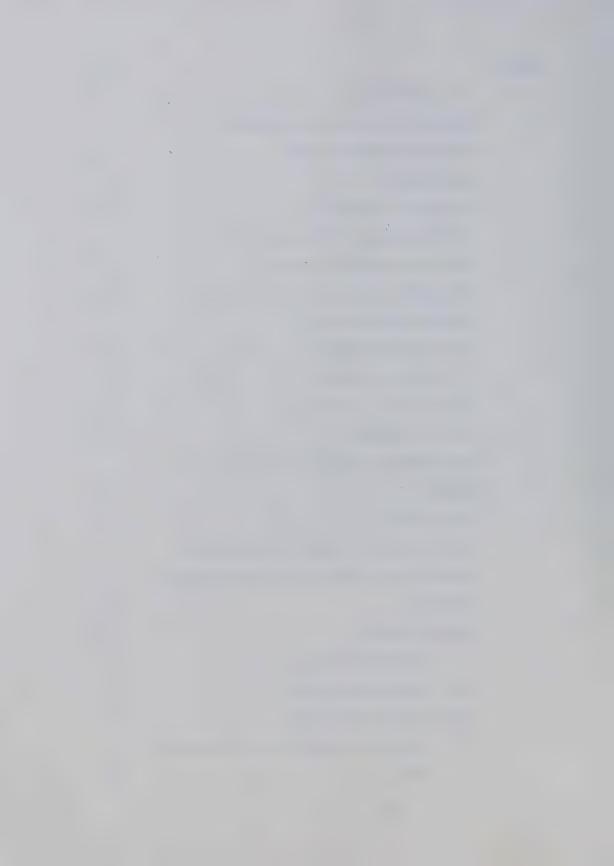
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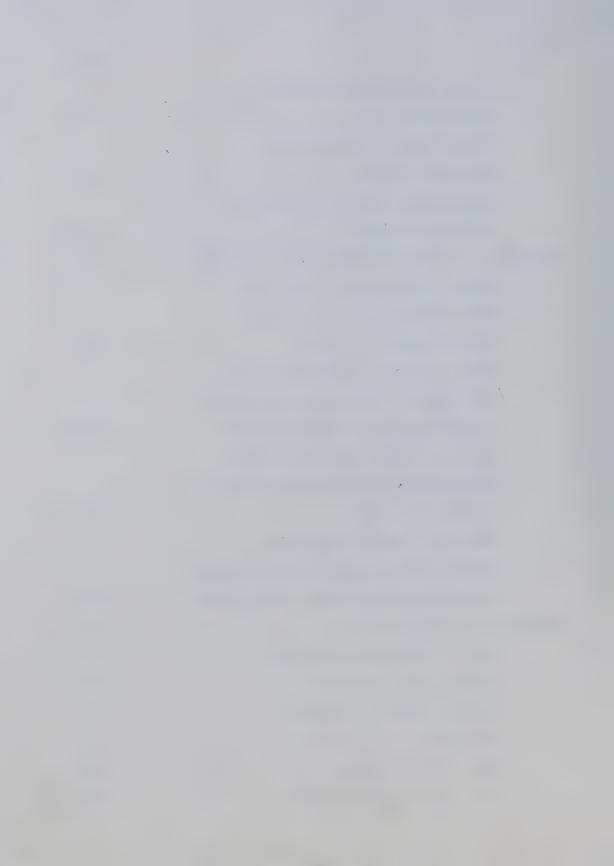
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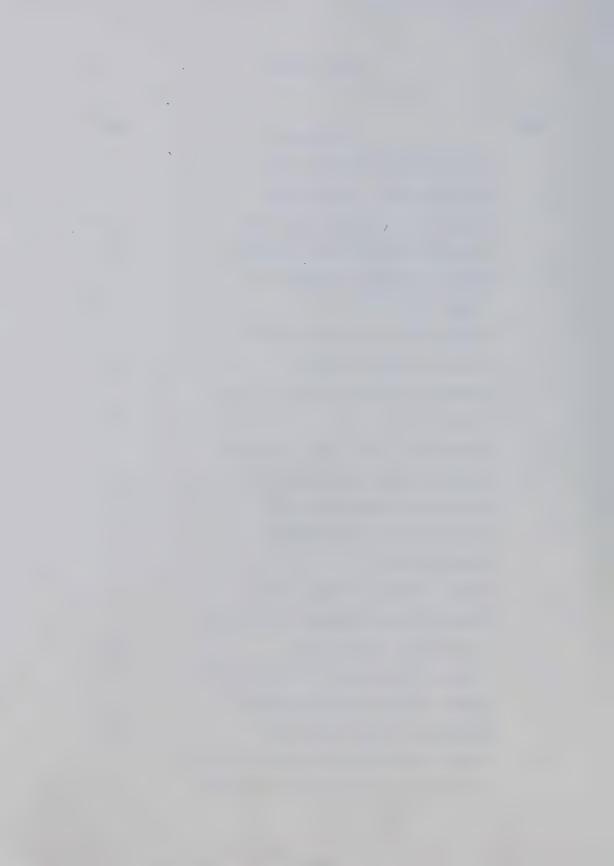
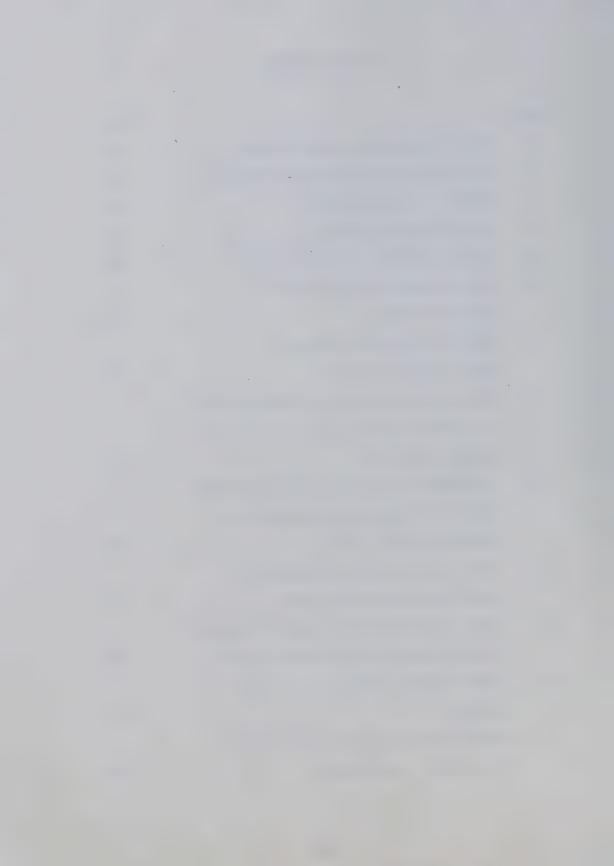


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#### CHAPTER I

#### INTRODUCTION

And the land shall not be sold in perpetuity. For the land is mine, for ye are strangers and sojourners with me. -- Leviticus XXV, 23

It has been said that Agriculture did not develop until people devised and effected land tenure structures. When rights in regard to land became ordered, recognized and protected by society, people became motivated with the prospect and incentive of harvesting the fruits of his labor and effort.

As there has recently been much public interest in Alberta farmland ownership, this thesis will investigate the definition and nature of these tenure and property rights' structures. Then, the socio-economic and attitudinal characteristics and relationships that affect or are affected by land tenure in Alberta will be determined.

#### The Institution of Land Tenure and Property Rights

Tenure was and is still a necessary means for producing agricultural products, and for distributing their benefits among producers.

The institution of land tenure has been defined as:

... a concept that involves the many relationships established among men that determine their varying rights to control, occupy, and use landed property. Land tenure concerns all the ways in which people, corporate bodies and governments share in the bundle of rights.

That bundle or property rights is a complex mass of powers,



claims, responsibilities, and protections, where most of the rights belong to the owner of the land. $^{3}$ 

However, society reserves four over-riding rights with regard to land:

- 1) the right to tax,
- 2) the right of eminent domain,
- 3) the right to police in interest of society as a whole, and
- 4) the right of escheat. 4

In North America, there has been added to these rights, the right to use public funds to influence the use of land resources.

Land tenure is also concerned with the time periods during which these rights are held.<sup>5</sup>

Dorner has defined farm tenure as the legal, contractual or simply "understood or customary arrangements" whereby people in agriculture try to arrange for an initial access route to the income flow, and the ways by which these routes are secured. In prairie agriculture, according to Brown and Bens, the

basic access route to farming income is through an arrangement which provides the productive services of farmland; the security and adequacy of this route are determined in large part by the continued availability of an adequate land base over time.<sup>7</sup>

Thus, the tenure system determines the nature of land ownership or use by individuals as a means of securing access to a farming livelihood. Land tenure institutions also determine the pattern of income distribution in the farm sector.<sup>8</sup>

However, land tenure institutions do not exist in isolation but interrelate with other economic, social, and legal institutions.



These institutions give stability to human relationships by providing security of expectation with respect to accepted procedures of human interaction and response. 9 The systems of rights embraced by these institutions form the basis for the concept of property.

Property rights do not refer to relations between men and things but, rather,

to the sanctioned behavioural relations among men that arise from the existence of things and pertain to their use. The prevailing system of property rights in the community can be described then, as the set of economic and social relations defining the position of each individual with respect to the utilization of scarce resources.

Property has a number of characteristics. It involves the rights to the use of a material asset, not personal rights or liberties. It consists of the right to use the asset, to change its form and substance, and to transfer all rights in the asset through sale, or some rights through rental. The right of ownership is an exclusive not an absolute right, that is, it is limited by those restrictions that are explicitly stated in law, or by some form of social control such as customs, tradition, codes of ethics, public opinion. Property objects must be capable of appropriation and have a value to the owner in order to give some incentive for the continued maintenance of a property right. The rights of property also imply the assent or sanction of a sovereign power vested with both authority and ability to protect the rights of its subjects. 12

Barlowe states that society has an inherent interest in all arrangements involving the ownership and use of property because of:



- the original role society plays in granting, recognizing, and protecting property rights,
- the economic and social significance of property in our daily lives,
- the over-all responsibility society has for maximizing social returns both now and in the future. 13

Thus, it should be possible to show that the content of property rights affect the allocation and use of resources in specific and predictable ways; indeed,

that a change in the general system of property relations must affect the way people behave, and through this effect on behaviour, property rights assignments affect the allocation of resources, composition of output, distribution of income, et cetera. 14

Therefore, in order to understand agricultural economic development, it is important to realize that the structure of property rights both determines and is determined by the characteristics of resources and society. 15

## Property Rights in Land

The conception of land as property is deeply entrenched in Western society. Blackstone in the 18th century, asserted that property, along with the security of the person and liberty of the individual, was an "absolute right inherent in every Englishman." As an upholder of the most absolute right of property, he stated that:

So great, moreover, is the regard of the law for private property, that it will not authorize the good of the whole community. . . In vain, may it be urged, that the good of the individual ought to yield to that of the community; for it would be dangerous to allow



any private man, or even any public tribunal, to be the judge of this common good, and to decide whether it be expedient or no. Besides the public good is in nothing more essentially interested, than in the protection of every individual's private rights, as modelled by the municipal law. 17

However, when expounding the classical conception of private property, he stated that a man's property

disposal of all his acquisitions, without any control or diminution, save only by the laws of the land . . . but certainly the modifications under which we at present find it, the method of conserving it in the present owner, and of translating it from man to man, are entirely derived from society; and are some of those civil advantages in exchange for which every individual has resigned a part of his natural liberty. 18

In fact, he was at a loss as to how to reconcile theory and practice, the classical tradition and the legal concepts, with respect to the rights of property ownership. For he realized that the idea of property as an absolute right unrelated to social duties and social relationships, could not be reconciled with any adequate philosophy for the relationship between the individual and society. <sup>19</sup> Fortunately for his argument, the principal type of private property in his time was agricultural land. The land was visible and was of obvious importance in the economy. The rights, duties and obligations of the landlord with respect to his tenants and of the sovereign power with respect to its subjects could be clearly defined. <sup>20</sup>

During the period of North American settlement, the economic theories of Adam Smith, David Ricardo, John Stuart Mill,



John Locke and others with respect to landed property and free enterprise were most influential. 21 Harris summarizes some of their basic postulates, by noting that:

Classical economic doctrine assumed that if a private party were given fee simple title to land, he would in pursuing his own best interests automatically fulfil any responsibilities that he might owe to society. Freedom of action without personal responsibility was the basic principle of our (North American) land tenure system. Freedom to make economic . decisions, it was reasoned, would assure full utilization of the land; its improvement and conservation would likewise be guaranteed; economic forces would establish optimum-sized farm units; and all these would provide for efficient production which would result in widespread wealth and income. Thus, the landowner's responsibility to society would be fulfilled automatically and attention to a concern over the responsibility of the private owner could be ignored with impunity. 22

As Lippmann points out, this type of thinking with regard to private property led to flagrant abuse of natural resources in the 19th century; so much so that would-be social reformers came to think that the only alternative was a society without private property, 23 that is, one where an individual's rights could be safe from exclusion by others. 24 However, Soviet experience with collective farms has indicated that intense attachment to the soil as well as emotional satisfaction from land ownership are still necessary factors to be considered in delineating land ownership rights. 25 Thus, it would appear that any satisfactory solution to the resolution of the rights of private property ownership in today's Canadian society will have to include the concepts that:



- 1. The right of property is guaranteed so long as it is not opposed to the public interest, and cannot be suppressed unless that is necessary in the public interest.
- 2. The right of property is subordinate to the public interest which must have priority over the private interest. <sup>26</sup>

## Types of Interests in Landed Property

The rights and interests that one holds in, ownership, possession or control of property are described as one's estate. 27 Complete or fee simple ownership has the largest bundle of rights. Most owner-operated properties are held in fee simple. The owner-operator has the right to possess and use his land; he can sell, trade, lease, mortgage, subdivide, and devise the property. 28 However, he holds only exclusive not absolute rights to his land, as the state in the interests of society may hold limitations on it, for example, taxation rights.

Other limitations which may affect his rights are easements (rights held by others, for example, utility companies, to use his land for special purposes), deed restrictions, and covenants (private controls, for example, subdivision restriction over future use of the land).<sup>29</sup>

Other common ways of allocating ownership rights occur under fee entailment (owner of each succeeding generation has the right to possess the property but cannot dispose or sell any of it to other than the next heir); life estates (owner can enjoy, possess, and use the property throughout his lifetime); dower rights (right



of wife to one-third of her husband's estate) and homestead rights (where homestead is defined as a portion of the property holding, limited both as to total area and value and which is owned and occupied by families as their home). 30

Unencumbered owner-operatorship, which has been viewed as the foremost goal of North American land tenure policy, is usually defined as full ownership with no land being rented from others; 31 however, some have stretched that definition to be that the owner's real estate is not encumbered by more than fifteen percent. 32

Tenants rent from others or work on shares for others, all the land they operate. The rental arrangement usually involves an oral or written contract, known as a lease, in which the landlord conveys his rights of use and possession in a given property, to a tenant for a definite period of time in return for a specified rental payment. Tenants on a cash-lease pay money as rent, for example, \$x/hectare (or /acre), for the use of the farm.

Share tenants may pay a share of either crops, livestock, livestock products, or a combination of both. Sometimes part of the rent will be paid in cash. The usual crop-share leases involve either a straight share arrangement or shares on cultivated crops and cash payment for pasture and hay. <sup>35</sup> In an ideal livestock-share lease, the tenant and landlord will share most variable costs, usually according to their share of livestock or livestock products. <sup>36</sup> The tenant may or may not pay a share of the crops.

Croppers are crop-share tenants whose landlords furnish all the work power, that is, work animals, machinery. They usually work



under the supervision of the landlord or his agent and their land is often part of a larger enterprise which is operated as a single unit.  $^{37}$ 

Other types of tenants include those who pay a fixed quantity of any product (payment in kind); those who pay taxes, keep up the land and buildings, or keep the landlord in exchange for use of the land; and those who have the use of the land free. There is also the part-owner/part-tenant who usually owns some land and rents additional land from others. Managers are a distinct group in that they operate farms for others and are paid a wage or salary for their services.

In addition to the types of estates or interests held in land, it is often necessary to classify the property rights into layers of rights-surface, suprasurface and subsurface. The latter two layers of rights are usually separated from the bundle of rights held in land.  $^{38}$ 

Estates held in landed property can be classified also by the number of owners:

 resources held as the common property of all members of a community or society,

properties held as undivided interests by two or more owners.

3. properties held in severalty by single owners. 39

There may also be conditions for the holding of an estate during its existence as well as for the time of enjoyment of the estate.  $^{40}$ 

Thus, private property in land consists of a bundle of rights of different kinds, which traditionally throughout history have been subject to various limitations. Those limitations or



controls have modified the traditional concept of fee simple ownership.

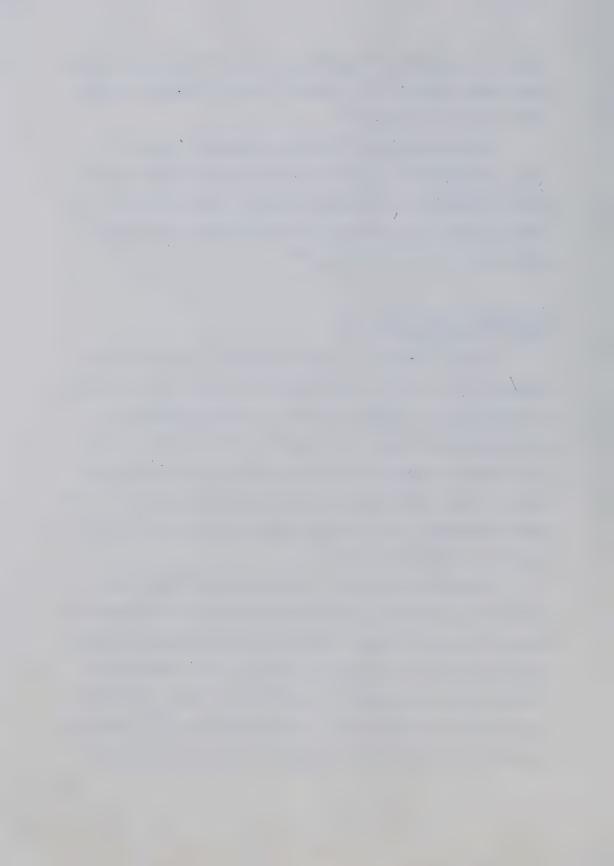
Indeed, that conception is a feature of certain societies at certain states in their development. 41

From the breakdown of feudalistic ideals of reciprocal rights and obligations to the notion that land was "simply a special kind of mechanism," to the American pioneer's equation of land equals absolute freedom, the institution of private property has evolved and responded to meet social needs. 42

## Development of the Farm Tenure System in Western Canada

England's tenure laws and practices were exported virtually unchanged to her colonies in North America. There, they were changed or discarded as the colonies adapted to a different physical and socio-economic environment. The abundance of land as well as the urgent desire to populate the colonies led to the freest of English tenures. Thus, great emphasis was placed on the development of a new land system wherein the government became a protector rather than a regulator of individual rights. 43

The American experience in opening up western lands for settlement provided some of the philosophies as well as methods which were used in western Canada. The North American dream of land ownership was probably best expressed by Jefferson in his conception of the family farm. He believed that there was a "causal relationship between farming and the political system of democracy." He believed that America had to establish and preserve an agricultural system of



free-holders -

full-owner operators debt-free, unrestricted by any contractual obligations to anyone all in all, pretty much the monarchs of all they survey. 45

Consequently, throughout the 19th century, disposal of the public domain was perhaps the most important factor in the political as well as the economic life of the United States.  $^{46}$ 

During the federalist period, Adams and others, argued for the ordered compact settlement of land by sale as they felt that the public domain should be a source of public benefit through land sales, as well as a source of private property. 47 However, due to the rapid advance of the frontier as immigration increased, as well as the unbridled increase in speculation and questionable business ethics, and in consideration of the large tracts of land that were then held by non-residents, Congress passed the Pre-Emption Act in 1841. This act legalized the "prescriptive" right of squatters to acquire land on which they had settled. 48

However, the most influential programme of public land policy in the United States was initiated with the turbulent passage of The Homestead Act of 1862. Free entry was permitted to any quarter section which was subject to pre-emption at \$1.25/acre (\$3.08/hectare) upon payment of a nominal fee of \$10.00 (railway lands were under different regulations). Patent was issued only after five years of residence and cultivation, and no homestead could be seized for "any debt or debts contracted prior to the issuing of the patent therefore." This programme did not stop speculation or fraudulent



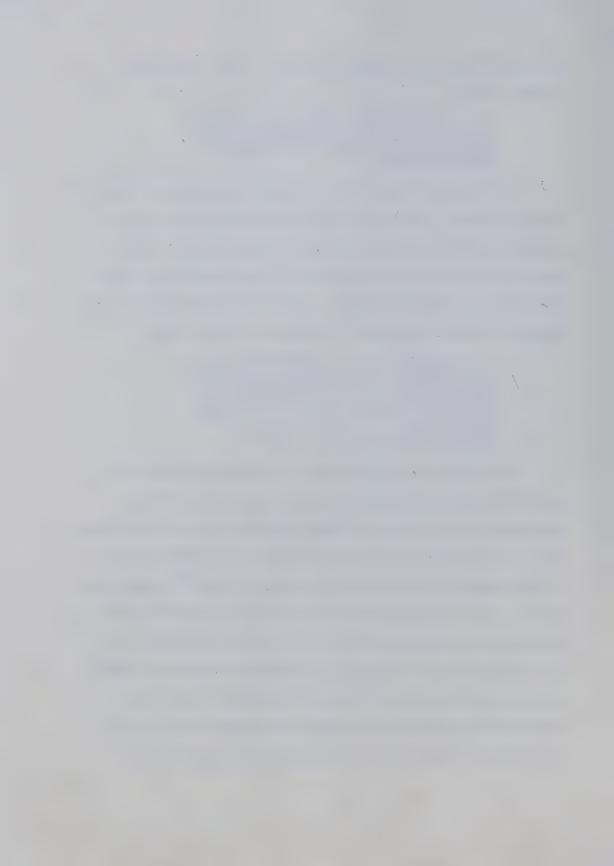
entry onto land, but, as noted by Hibbard, it was a conspicuous
success, for it:

... strengthened democracy. It diffused wealth. It created a 'land-owning, home-owning people' so long as land remained abundant and free. <sup>51</sup>

As a permanent solution to the task of populating the West, it was not a remedy. In many localities, speculation in land and its subsequent effects led to an increase in tenant farming; it was unsuitable for the semi-arid areas west of the hundredth meridian and it was too inflexible to deal with divergent farm practices, for example, irrigation, ranching. <sup>52</sup> However, as Hibbard notes:

... yet with all its shortcomings, the Homestead Act clearly has more to its credit than any other one land act passed by the federal government. A million and a third homesteads have been taken up and carried to completion ... it was a means of peopling the wilderness ...  $^{53}$ 

In Canada, on the other hand, the social, economic, and political circumstances which led to the adoption of the free homestead system were quite different from those in the United States. There was no "squatter on a militant frontier"; no labour advocacy of free homesteads; no abolitionism and no Civil War. Competition with the rapid American settlement of the West not only forced the Dominion into premature political expansion to the Pacific, but also into building a transcontinental railway communication system. In 1870, Canada acquired the lands of the Hudson's Bay Company (except for an area equal to one-twentieth of the total area) "for the purposes of Dominion." In the federal parliament, it was



acknowledged that both projects depended upon an effective settlement policy. Without any opposition and almost no debate, the free homestead became a part of Dominion Land policy. <sup>55</sup> The functions of the free homestead were to:

- 1. rapidly establish a population in Western Canada,
- increase the value and number of sales of nearby railway and government lands, and
- 3. provide traffic for the railroad. 56

Unlike the United States, the surveys and development of land policy were far in advance of most settlements. Under the transfer agreement of 1870, title to river lots under the Hudson's Bay Company was confirmed and continued for various Metis settlements until 1884. Some examples of this settlement pattern can still be seen near St. Albert or Pakan in Alberta, today. 57

In order to avoid the survey disputes that occurred in the American mid-west, Parliament by Order-in-Council of April 25th, 1871, settled on a fixed grid survey system of longitude and latitude which was broken down into divisions of section, township, and range, for the three prairie provinces. This system simplified land descriptions as it replaced the English system of "metes and bounds" where land descriptions could change if natural phenomena did, and it provided surveyors, anywhere within the grid, with easily obtainable points of reference. The section was fixed at 640 acres as in the United States and the township at 36 sections. A plan of a typical township in Western Canada (See Figure 1) illustrates the divisions into homestead, school, railway and Hudson's Bay lands.

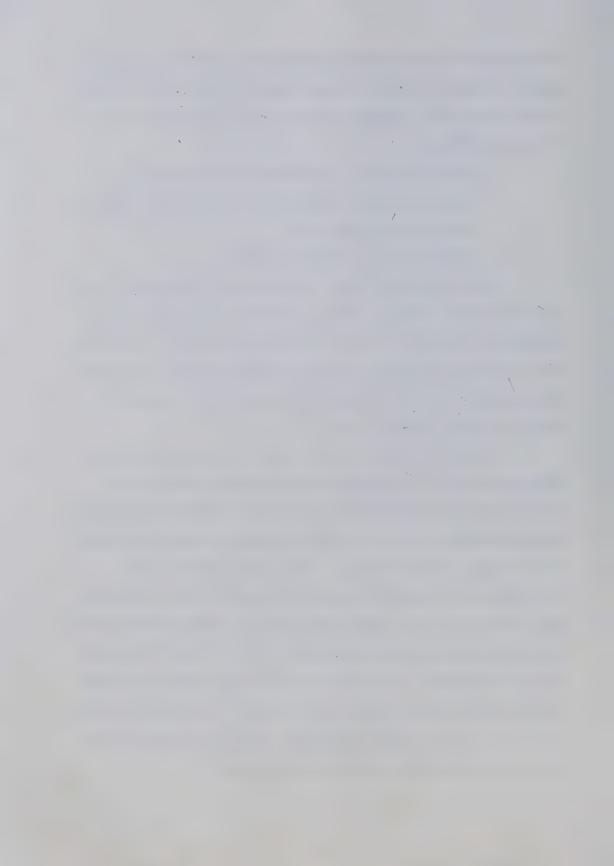
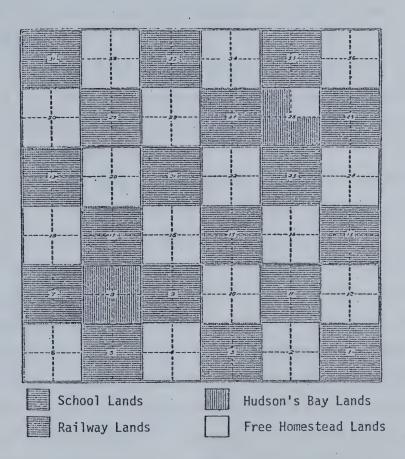


Figure 1
PLAN OF A TOWNSHIP IN WESTERN CANADA



Plan of Township showing: (a) School Lands (Sections 11 and 29), (b) Hudson's Bay Lands (Sections 8 and three-quarters of 26; the whole of 26 in every fifth township), (c) Free Homestead Lands (even-numbered sections, except 8 and 26), (d) Railway Lands (odd-numbered sections reserved for selection as railway land grants). Each section is bounded on three sides by road allowance (66 feet or 20.12 metres).

SOURCE: Martin, C., Dominion Lands Policy, page 18.



The second innovation was the use of the Torrens system of registration of title to land rather than the older system of deed registry of tenure. The salient features, at least in theory, of this system were:

- that it was a system for registration of title to the land itself rather than a registration of documents;
- 2. that the state guarantees title and operates the system's machinery; and
- 3. that because the certificate of title is intended to be complete and accurate, the layman could theoretically carry out the land transactions himself.

Under the Dominion Lands Act of 1872, a settler could homestead on 160 acres (64.75 hectares) of land with a fee of ten dollars and residence requirements of three years only. Subsequent changes in regulations lowered the age limit from twenty-one to eighteen years and granted pre-emption rights to reserve the adjoining quarter section for purchase at the government price upon the issue of patent for the original homestead. However, the homestead policy was more or less nullified until the mid 1890's by the exclusion of homestead land from a land belt twenty miles (32.19 kilometres) wide on each side of the railroad and by the many frequent changes in homesteading regulations. It appeared that a genuine homestead policy was not adhered to by all, as many in parliament still felt that the government was owed so much per acre as an alienation fee. Indeed, the homestead settlement system had never been more than half a system as it was applicable at best to only approximately four-ninths of the

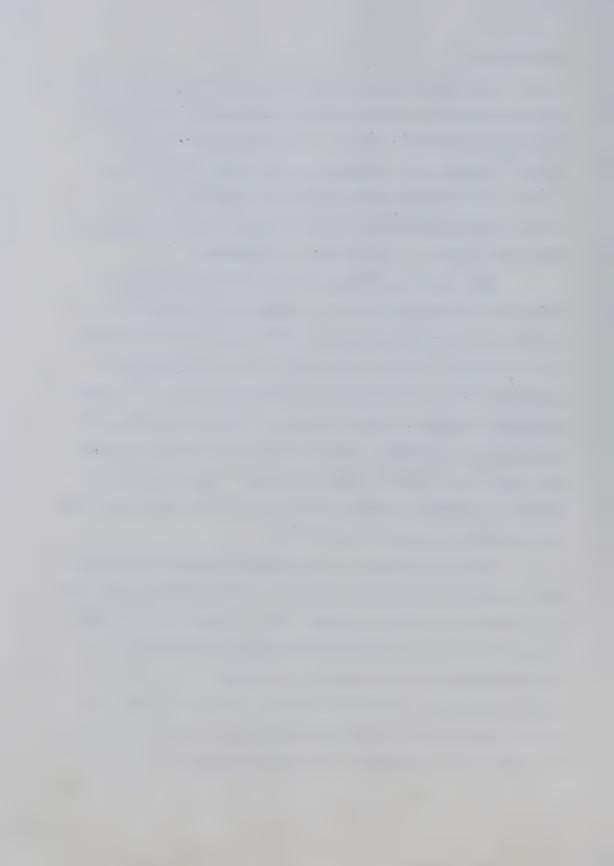


township area.

For Alberta, the total acreage under homestead (patented and unpatented) to 1930, when the lands were transferred from federal to provincial jurisdiction, was 20, 713,847 acres (8 382 603.89 hectares). However, it is estimated that more than 15,880,000 acres (6 426 413.68 hectares) out of a total of 34,650,000 acres (14 022 369.90 hectares) that were entered for homestead from 1905 to 1930 were cancelled - a failure rate of 46 percent. 63

Many settlers combined pre-emption rights with purchased homesteads on government, railway or Hudson's Bay Company land. Indeed by 1902, Sifton estimated that "fully one-half of the settlers that are actually located on the land in the West are located on purchased lands and have not taken up homesteads at all." <sup>64</sup> As wheat production expanded, and farmers made use of improved machinery and dryland farming techniques, the half section farm tended to displace the quarter section as the viable farm unit. <sup>65</sup> This trend was reinforced by government programmes such as the Volunteer Bounty Act, 1908 and the Soldier Settlement Act, 1917. <sup>66</sup>

With the exception of the settlement programme in the Peace River country of north-western Alberta, the free-homestead system came to a virtual end in western Canada in 1930. In passing, it is important to realize that the homestead programme strengthened not only the North American view of property as a natural or as an absolute right, but it also established the ideal of individual private ownership of land, and the frontier psychology which accompanies it. As Esau noted, "this ideological conception of landholding is still a



part of our social milieu to-day."67

## Delineation of Present Alberta Land Use and of Tenure Concerns in Western Canada

When the federal government transferred control of Dominion lands to the provinces in western Canada in 1930, a fairly large portion of surveyed lands (15,417,000 acres ((6 239 044.06 hectares)) out of 85,593,253 acres ((34 638 391.18)) or 18 percent) remained undisposed.  $^{68}$  Wood has noted that the philosophy as well as the administration of these public lands did not change significantly with the vears since that time. <sup>69</sup> In 1939, however, Alberta did establish an agricultural leasing policy for its Crown lands with three types of leases: agricultural, cultivation and grazing. The current regulations for these leases as well as an acreage breakdown are included in Appendix 1. From the statistics in Table 1, it can be noted that approximately 64 percent of the land in Alberta is still publicly While many important issues regarding the ownership and management of these lands remain to be solved, this thesis will be concerned with issues pertaining to privately owned farm land - some 30 percent of the land acreage.

Across Canada today, the demand for rural land in the private ownership sector is increasing. The public communication media report that farmers wishing to take advantage of economies of scale are expanding and consolidating their farms; that urban dwellers are developing subdivisions for rural residences as well as using agricultural land for recreation; that energy consortiums are using

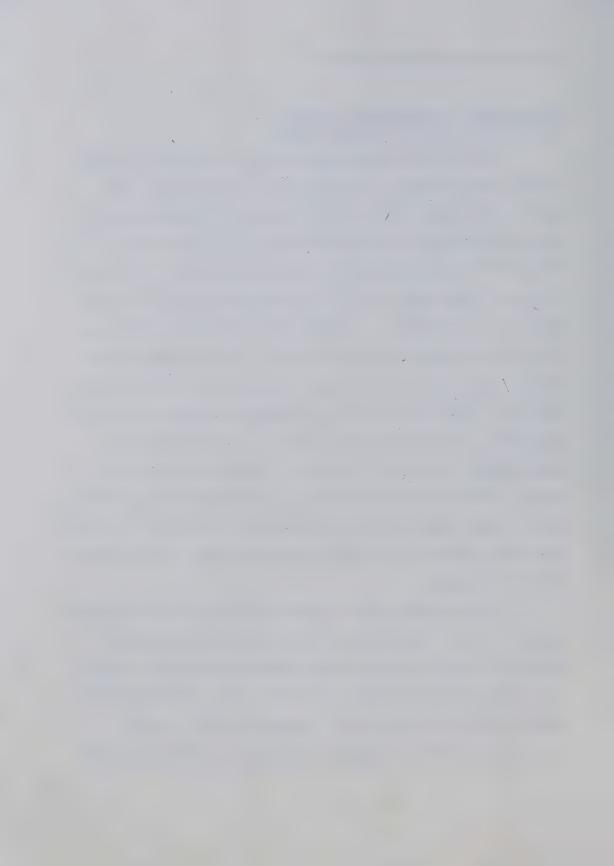


Table 1

LAND OWNERSHIP IN ALBERTA, 1972

Ownership Category	Square Miles	Square Kilometres	Percent
Federal Jurisdiction			
National Parks	20,692	53 592.01	8.10
Indian Settlements	2,512	6 506.05	0.98
Military Areas, etc.	2,923	7 570.53	1.14
	26,127	67 668.59	10.22
Provincial Jurisdiction			
Provincial Parks	2,348 <sup>1/</sup>	6 081.29	0.91
Wilderness Areas	2,432	6 298.85	0.95
Special Areas	5,600 <sup>2/</sup>	14 503.93	2.19
Metis Colonies	2,012	5 211.05	0.78
Forest Land	106,754	276 491.47	41.81
Swamp, Rock Muskeg			
and Water	19,259	49 880.56	7.54
	138,405	413 067.15	54.18
Privately Owned	88,400 <sup>3</sup> /, 4/	228 954.85	34.62
Miscellaneous			
Roads and Highways	1,783	4 617.95	0.69
Cities and Towns	570	1 476.29	0.22
	2,353	6 094.24	0.91
Total Area	255,285	661 184.83	100.00

SOURCE: C. Pei, A Look at Rural Land Ownership in Alberta, 1974.

- 1/ Includes Willmore Wilderness Park and Historical Sites.
- 2/ 75 percent of the total Special Areas.
- 3/ 25 percent of the Special Areas is included.
- 4/ Farmland accounts for 77,354 square miles (200 345.85 square kilometres) or 30.3 percent of the total area.



more land for oil and gas well sites, surficial mining operations; and that in Western Canada particularly, the question of speculation by foreign owners has been raised. With the exception of historical land settlement studies, very little academic research has been done on land tenure in Canada. The economic, socio-economic and geographic studies which have been done both in Europe and in North America will be reviewed in Chapter II.

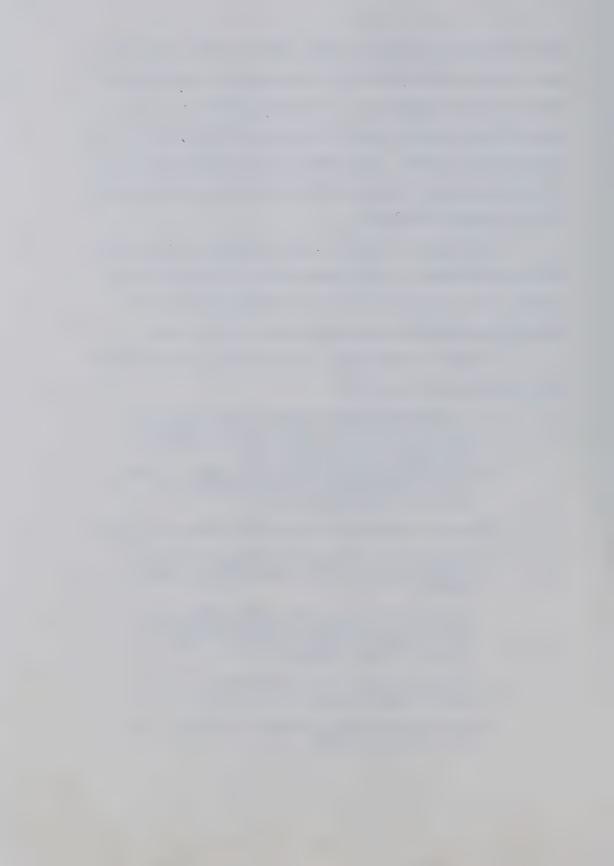
Nevertheless, in answer to public clamour on these issues, provincial governments in Saskatchewan and British Columbia have recently enacted legislation to preserve farm land and thus, to encourage the establishment and maintenance of family farms.

In 1972, the Saskatchewan Land Bank Act was passed with the objectives to provide assistance:

- a) to residents of Saskatchewan to enable them to establish or maintain family farms in Saskatchewan by increasing the opportunities for them to acquire land for farming; and
- b) to increase the opportunities for owners of farm land in Saskatchewan to dispose of their farm land at fair and just prices. 71

The specific functions of the Land Bank Commission are to:

- purchase farms outright from those who wish to retire from farming for age, health or financial reasons,
- purchase with a lease-back option, all or part of the land of persons who wish to continue to farm but wish to reduce their debt or free capital for other purposes,
- 3. lease land to those with farming experience who wish to start farming,
- 4. lease land to those who require additional land for a viable farm unit,



- 5. transfer the family farm from generation to generation,
- provide counselling and management assistance to those renting land,
- 7. provide loans to farmers leasing Land Bank land for improvements on the land. 72

To date, there is no published analysis of this programme.

In Manitoba, since 1973, a land lease programme of the Manitoba Agricultural Credit Corporation has operated in a similar way, but there is no published analysis of its effect(s), to date.

In 1973, the government of British Columbia passed the Land Commission Act which established a provincial Land Commission to "set up and control reserves of agricultural land, green belt land, land bank land, and park land." In addition, to preserving agricultural land, the Land Commission is to "encourage the establishment and maintenance of family farms." A preliminary analysis indicates that the development of farm land into non-farm uses has been slowed by the more inclusive control of zoning by provincial government agencies. The anticipated effects are that farm land will be preserved and that some reduction in farm land values may occur. 74

With regard to the subject of foreign ownership, it is estimated in Saskatchewan and Alberta that at the most, approximately 2 percent of the rural land is held by aliens. This figure is based on random sample data collected both in Saskatchewan and Alberta. The reports concluded that the general concern is really one of ownership of recreational and residential property rather than agricultural property.



In 1973, pressure from farm organizations concerned with rising land values, communal property rights, and the availability of agricultural land forced the Alberta government to establish a Land Use Forum to consider various aspects of land use in Alberta. Specific subjects to be included were the following:

1. the family farm;

multi-use of agricultural land;

the use of agricultural land for recreational purposes;land use in and adjacent to urban areas as it affects the cost of housing:

5. future land needs of Alberta agriculture;

 corporate farms, foreign ownership of land, absentee ownership and communal farming;

 the common ownership of land, agricultural processing and marketing facilities;

land use as it influences population distribution in Alberta:

9. the extent, if any, to which the historical right of a land owner to determine the use and disposition of agricultural property ought to be restricted. 77

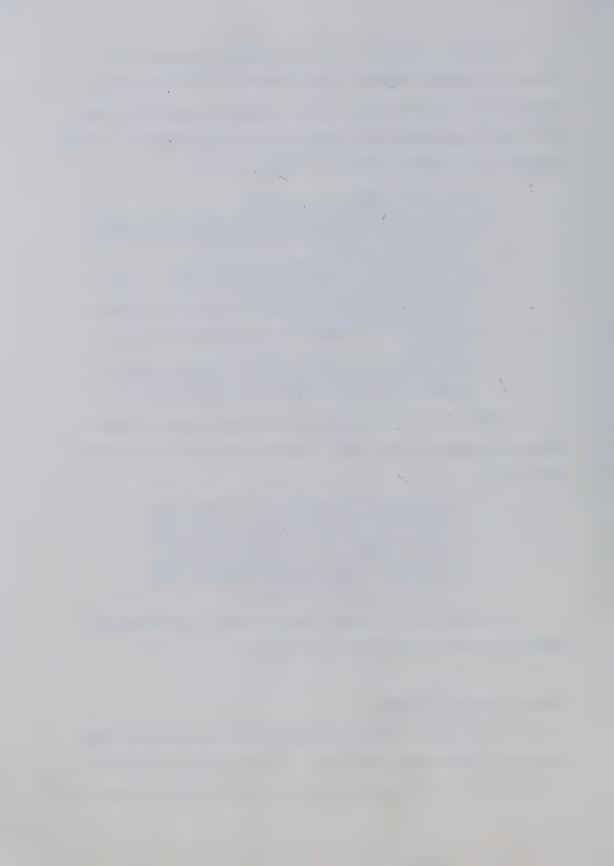
Their report and recommendations for any necessary legislation were presented in early 1976. At that time, they concluded that there were:

no problems with landlords and tenants that seriously affect the use of agricultural land. On the contrary, the leasing process provides another mechanism for farm size adjustment. Land available for lease also presents an opportunity for new entrants with limited capital to get started in farming. 78

These conclusions on land tenure are now being reviewed and debated by farmers and government departments.

# General Problem Delineation

In our Western society, the ownership of land is a long-standing and cherished social institution. Further, both the physical form of the property as well as the concept of home ownership have contri-



buted to the philosophy of the family farm. However, as populations increase and technologies become more complicated, social institutions must evolve and respond to changing societal needs. These changes will have a complex impact on the economic and political institutions associated with farm land tenure.

Therefore, it is proposed that this thesis will:

- identify the main social and economic characteristics and relationships which have been found to affect or be affected by farm land tenure;
- examine these characteristics and relationships with respect to the rural population of Alberta;
- 3. investigate the attitudes of Alberta farmers towards present farm land tenure attributes; and
- 4. determine the land tenure factors which influence the ability of the Alberta family farm to adjust or adapt to changing agricultural conditions.



## <u>List of Footnotes</u>: Chapter 1 - Introduction

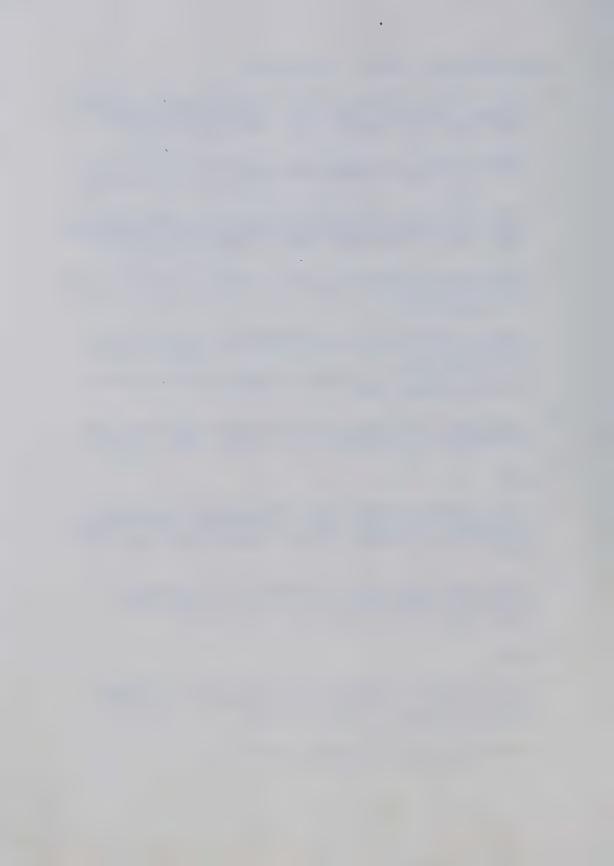
- John F. Timmons, "Tenure and Size" in <u>Size</u>, <u>Structure and Future of Farms</u>, edited by A. Gordon Ball and Earl O. Heady (Ames, <u>Iowa: Iowa State University Press</u>, 1972), pages 232-233.
- Raleigh Barlowe, <u>Land Resource Economics</u> (2nd edition) Englewood Cliffs, New Jersey: Prentice-Hall, Incorporated, 1972, page 43.
- Royal Commission on Agriculture and Rural Life. Report Number 5.

  Land Tenure: Rights and Responsibilities in Land Use in Saskatchewan (Regina, Saskatchewan: Queen's Printer, 1955), page 1.
- Eminent domain is defined in law as the right of the government to take private property for public use. The owner must be paid for the property taken.

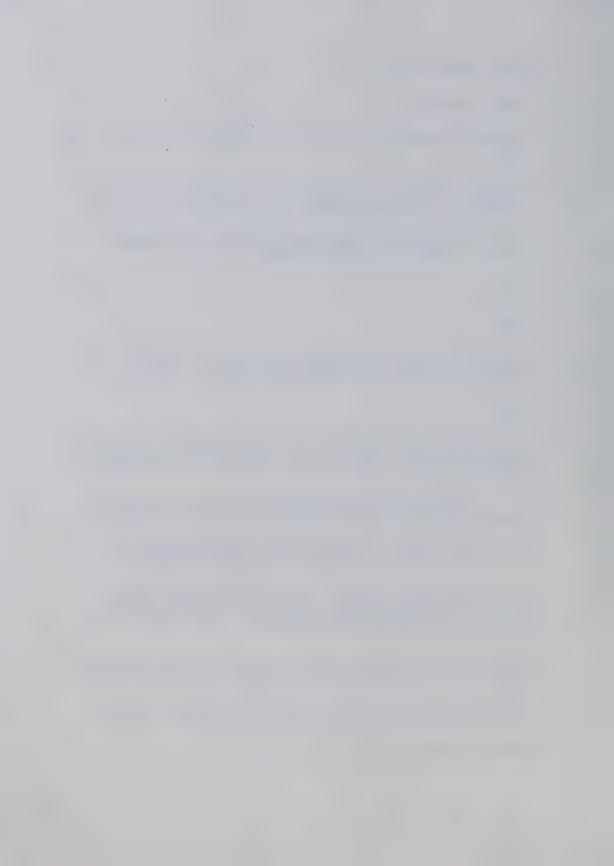
Escheat is defined in law as the reverting of the ownership of property to the state (or to the lord of the manor) when there are no legal heirs.

From W.S. Avis, ed. <u>Dictionary of Canadian English</u> (Toronto: W.G. Gage Limited, 1966).

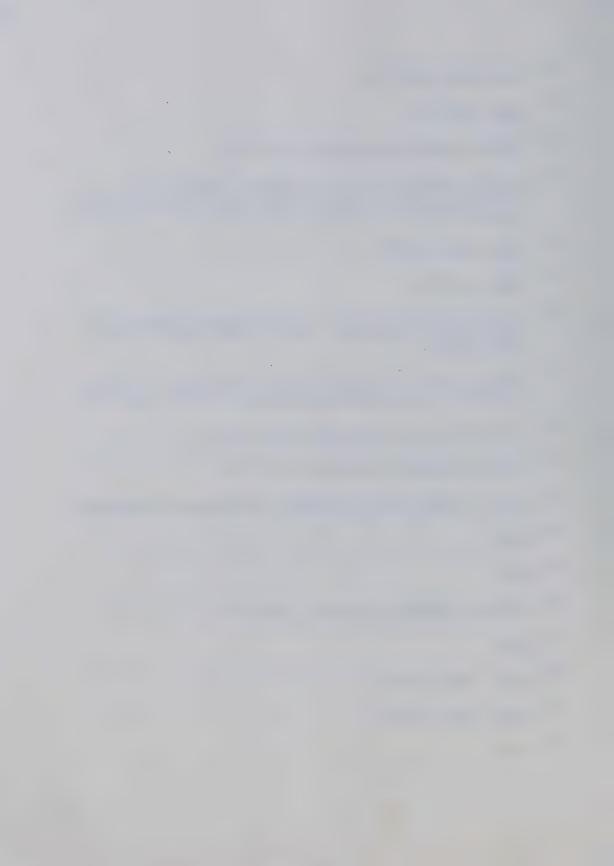
- Peter Dorner, "Land Tenure Income Distribution and Productivity Interactions", <u>Land Economics</u>, XL, 3 (August, 1964), page 249.
- 6 Ibid.
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- 9 Ibid.
- Eirik G. Furubotn and Svetozar Pejovich, "Property Rights and Economic Theory: A Survey of Recent Literature", <u>Journal of Economic Literature</u>, 10, 1972, 1137-1162.
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- Furubotn and Pejovich, "Property Rights and Economic Theory", page 1139.
- Kenneth W. Clarkson, "Property Rights, Incentives, and Economic Development", <u>Growth and Change</u>, VI, 2 (April, 1975), page 26.
- Sir William Blackstone, <u>Commentaries on the Laws of England</u> (Oxford: Oceana Publications, 1966).
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- 18 Ibid.
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- See 1) Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations, edited by Edwin Cannan (New York: Modern Library, 1937).
  - 2) David Ricardo, <u>The Principles of Political Economy and Taxation</u>, (London: J.M. Dent, 1957).
  - 3) John Stuart Mill, <u>Principles of Political Economy</u>, edited by W.J. Ashley (London: Longmans Green, 1909).
  - 4) on Locke, John M. Brewster, "The Relevance of the Jeffersonian Dream of Today" edited by J.P. Madden and D.E. Brewster, <u>A Philosopher Among Economists</u>. (Philadelphia: J.T. Murphy Company, 1970) pages 175-208.
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- Clarkson, "Property Rights", page 23.



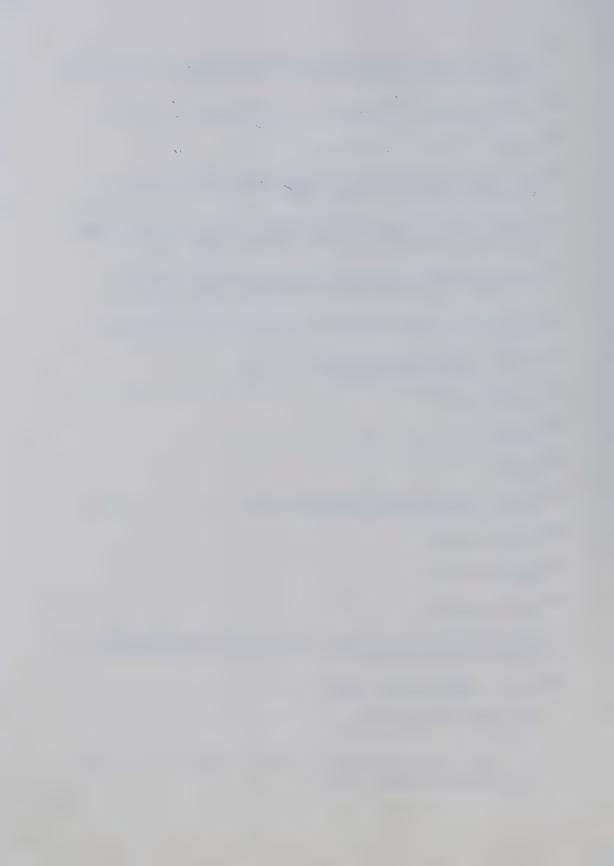
- 25 Bryant, Land, page 145.
- 26 Ibid., page 147.
- Barlowe, <u>Land Resource Economics</u>, page 382.
- Devise is defined in law as the giving or leaving of land, buildings by a will. From W.S. Avis, ed. Dictionary of Canadian English (Toronto: W.G. Gage Limited, 1966).
- 29 <u>Ibid.</u>, pages 382-385.
- 30 <u>Ibid.</u>, page 385.
- Alvin L. Bertrand and Floyd L. Corty, <u>Rural Land Tenure in the United States</u> (Baton Rouge: Louisiana State University Press, 1962), page 108.
- Howard W. Ottoson, "The Application of Efficiency to Farm Tenure Arrangements", Journal of Farm Economics, 37 (1955), page 1342.
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- 36 Ibid.
- 37 Ibid.
- Barlowe, <u>Land Resource Economics</u>, page 387.
- 39 Ibid.
- 40 Ibid., pages 388-390.
- Bryant, Land, page 349.
- 42 Ibid.



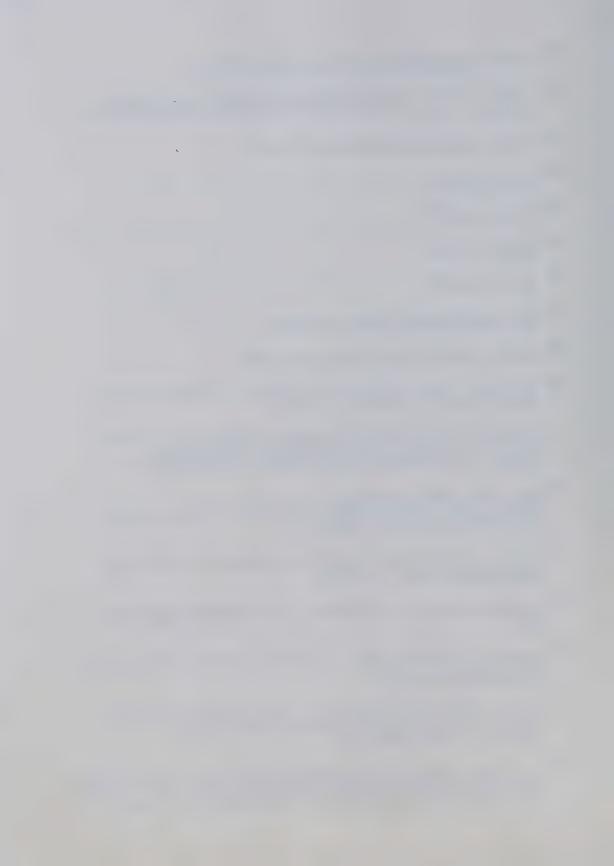
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- John M. Brewster, "Relevance of the Jeffersonian Dream Today".
- 45 Ibid.
- M. Clawson, The Land System in the United States, (Lincoln: University of Nebraska Press, 1968).
- Chester Martin, "Dominion Lands" Policy, edited by Lewis H. Thomas (Toronto: McClelland and Steward Limited, 1973), page 118.
- Aaron M. Sokolski, Land Tenure and Land Taxation in America, (New York: Robert Schalkenback Foundation, 1957), page 130.
- One quarter section is defined as 160 acres or 64.75 hectares.
- Martin, "Dominion Lands" Policy, page 124.
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- 53 Ibid.
- Martin, "Dominion Lands" Policy, page 127.
- 55 <u>Ibid.</u>, page 140.
- 56 <u>Ibid.</u>, page 143.
- 57 <u>Ibid.</u>, page 19.
  - R.G. Ironside and E. Tomasky, "Development of Victoria Settlement", Alberta Historical Review, 19, 2 (Spring, 1971), pages 20-29.
- Martin, "Dominion Lands" Policy, page 17.

640 acres = 259 hectares 36 sections = 9 324 hectares

I.L. Head, "The Torrens System in Alberta: A Dream in Operation", 35 Canadian Bar Review 1, 1957.



- Martin, "Dominion Lands" Policy, pages 141-142.
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- 64 <u>Ibid.</u>, page 172.
- 65 <u>Ibid.</u>, page 145.
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- 67 Esau, Land Ownership Rights, page 26.
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- V.A. Wood, "Public Land Policy for Alberta". Unpublished Ph.D thesis, University of Minnesota, 1953.
  - R.C. Scace, "The Development and Use of Public Land in Alberta", in J.G. Nelson et al, Canadian Land Use in Perspective. (Ottawa: Social Science Research Council, 1973), page 47.
- One of the better examples is:
  Country Guide, January, 1975. "Farm Land: The Race to Protect
  this Threatened National Resource".
- Province of Saskatchewan, Legislative Assembly, May, 1972, The Land Bank Act, page 2, section 3.
- 72 Saskatchewan Land Bank Commission, <u>The Saskatchewan Land Bank</u>, 1973.
- Province of British Columbia, Legislative Assembly, Spring, 1973, The Land Commission Act.
- Peter L. Arcus, "New Directions in Land Use Control in British Columbia", Canadian Journal of Agricultural Economics, 22, 1 (February, 1974), pages 77-79.
- J.A. Brown, A Study of the Purchases and Ownership of Saskatchewan Farm Land by Citizens and Companies of the United States. (Saskaton, Saskatchewan: University of Saskatchewan, 1972), page 3.



Charles C.M. Pei, <u>A Look at Rural Land Ownership in Alberta</u>, (Edmonton: Alberta Land Use Forum, 1974), Technical Report Number 6, page 27.

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- Hansard, Province of Alberta, March 12th, 1973, pages 18-749. Hansard, Province of Alberta, March 14th, 1973, pages 20-833.
- Alberta Land Use Forum, Conclusions and Recommendations on Land Use, (Edmonton: Alberta Land Use Forum, 1976), page 173.



#### CHAPTER II

#### REVIEW OF LAND TENURE LITERATURE

#### General Discussion of Farm Tenure Literature

All farm tenure literature has been classified by Tharp into five fairly distinct groups: tenure ideology, situation and trends, economic analysis, policy recommendations and reform promotion, which are summarized by their main characteristics in Figure 2. This summary is still fairly accurate more than twenty years later. Few socio-economic models have been developed or further refined to analyze the effects of land tenure on the processes of agrarian reform (two models are those of Heady and Tuma). 2 Many discussions of the social and economic effects of land tenure on agricultural development are still based on the factual presentation of general census statistics (for example, Timmons, Stutt, Szabo). These studies are descriptive and tend towards problem definition only. Policy and reform recommendations are discussed in terms of broad economic and social concepts (for example, the work of Furubotn or Dorner)4, or on the basis of highly subjective and emotional views, as can be found in the public communication media.

Salter also summarized land tenure research into two groups - historical and methodological. In the historical type of research, emphasis was placed on the distribution and holding of rights on land through time either by conceptual reasoning and informal first-hand



Figure 2
CLASSIFICATION OF FARM TENURE LITERATURE

I Tenure Ideology	II Situation and Trends	III Economic Analysis	IV Policy Recom- mendations	V Promotion of Reforms
	SOME DI	STINGUISHING CHARACTERIS	STICS	•
Description of his- torical develop- ments	Statistical counts of mass data	Problem approach	Legislation	Changes in ten- ure system
Concepts of equal- ity and freedom	Graphic Summaries	Critical examina- tion of concepts	Changes in con- tractual relation- ships	Deals only with broad concepts and ideals—few details
The "family farm"	Census tabulations	Appraisal of basic influences and effects	Changes in person- al and institution- al relationships	Condemnation of "evils"
Tenure goals	Tenure area delin- eations	Analysis of altern- atives in terms of efficiency and labor productivity	Tenure improve- ment programs	Stewardship in the land
	Trends			Things "ought to be" because they are "right
	Case studies	Examination and appraisal of var-ious means for attaining given ends	Value judgments often not support- ed by facts	
	Legal aspects			
	Social status			
Largely subjective	Factual and objective Problem defining	Analytical and ob- jective Resolving of prob- lems	Largely subjective	Largely based on emotion
	Some analysis appraisal but large- ly descriptive	Problem solving		

SOURCE: M. M. Tharp, "A Reappraisal of Farm Tenure Research".

Land Economics 24 (November, 1948), page 320.



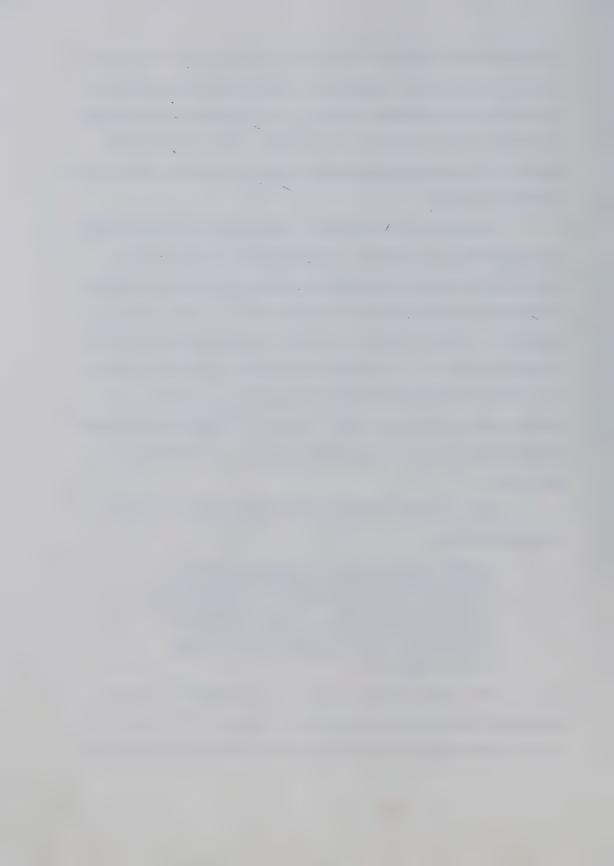
information (for example, the work of Ely or Gray) or by analysis of survey data using gross quantitative comparisons between groups of farms (for example, Warren or Black). He noted that the development of research from this point of view showed a close relationship between the investigational work and pressures from the current social problems of the day. <sup>5</sup>

Research of a methodological nature consisted predominantly of descriptions of lease forms, republication of census data or descriptions of standard categories of farms described with respect to averages or distributions for various items. Salter made an exhaustive review of this type of literature which had dominated research up to 1948. In concluding his studies, he noted that there was a lack of formulated problems or hypotheses as well as any evidence that specified practices resulted in specified consequences. Unfortunately, there has been little change in the literature since that time.

Brown and Bens stated in their report on farm tenure in Saskatchewan that:

a basic objective of the modern farm tenure system should be to provide farm families with reasonably secure and adequate net incomes from a farming livelihood . . . Other important and related objectives were to make farm expansion alternatives available to viable farm units, and to help overcome impediments to efficient use of resources. 8

With this goal in mind, the basic philosophical concepts associated with land tenure and property rights in North America, as well as the development of the land tenure system in Western Canada



were reviewed. This chapter will now briefly investigate the economic, geographic, and socio-economic studies of various aspects concerning the North American land tenure system which have been done. (Unless specifically identified, all studies have taken place in the United States.) A model of agrarian reform based on land tenure change will also be reviewed. In Chapter 3, studies involving statistical data compilation and analysis in Western Canada as well as an analysis of relevant Alberta land tenure statistics will be presented.

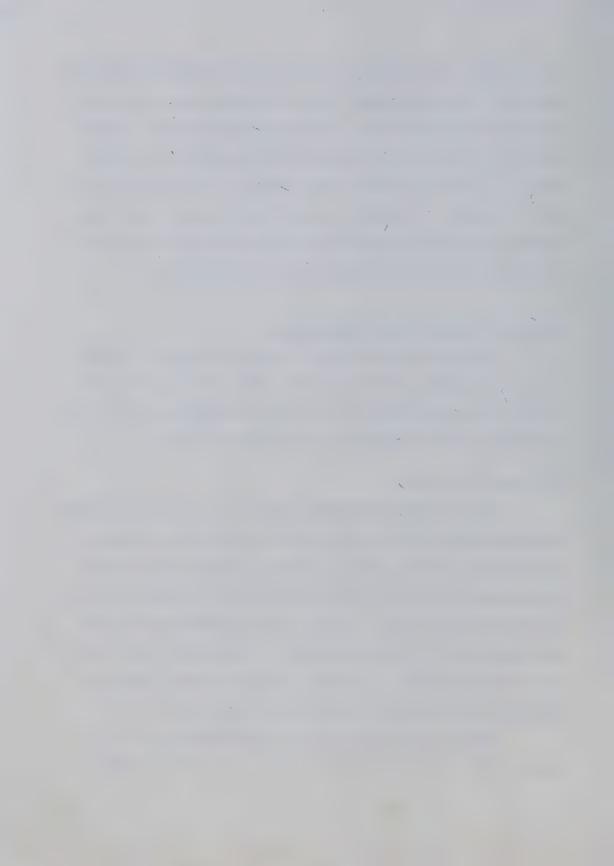
#### Economic Analyses of Land Tenure Concerns

The major areas of economic research investigation in land tenure are concerned with farm size and scale, efficiency and productivity, real property taxation, farm leasing arrangements and the rental market, and the valuation of property rights in land.

#### i) Farm Size and Scale:

Current economic and social conditions as well as anticipated changes determine the size and scale of farm enterprises. Farmers have imperfect knowledge; their expectations are not always correct and there are usually time lags and discontinuities in their farm size and enterprise adjustments. Timmons has noted that these time lags are common to all institutional changes, but especially to the land tenure system which has a tendency to lag behind dynamic changes in agriculture because of the customs and laws which form it. 9

Ball and Heady have stated that the optimum size for an economic unit varies as the objectives of the land tenure system

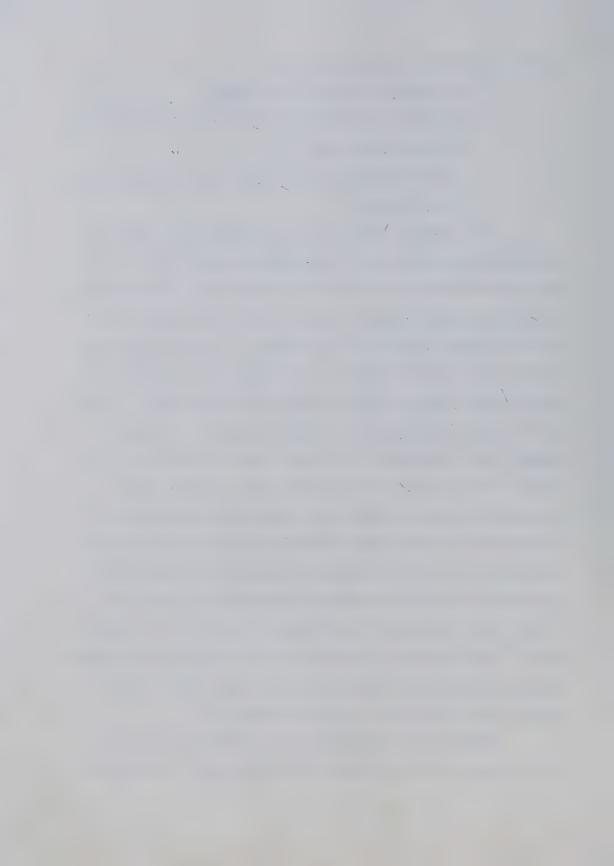


which in North America are assumed to be

- 1. maximization of income to the farmer,
- the production of foodstuffs to be mainly or exclusively from family farms, and
- 3. the minimization of consumer food costs through production efficiency.  $^{10}$

Thus, the major change in the past two decades, which has affected farm size and scale of production has been the shift from the farmer deriving most of his profit income from his farm products to the sharing with suppliers of his off-farm inputs and also with the handlers and processors of his products. 11 As farm efficiency increased and new developments in technology occurred, farmers used more off-farm inputs and left the product handling to others. Thus, profit margins narrowed and more output was required to improve income; the farm production unit needed to be increased in size and scale. 12 This has resulted in a gradual shift from the single proprietorship type of business to a partnership, co-operative or corporate farm, as Heady found that the opportunities for acquisition of credit, profits, equal tax benefits, legal protection and intergovernmental continuity are generally better for all sizes and incomes under a corporate form of business than that of the family farm. 13 This movement to a corporate structure is further encouraged by specialization, high credit and capital requirements, tax disparities, and inequalities in profit opportunities. 14

Changes have occurred not only in acreages per farm and total number of farms, but also in other dimensions of size, such as



capital invested, credit used, labour employed, inputs, product sales, and the age and competence of farm operators.  $^{15}$ 

However, Timmons has found that measures of farm size which are most influenced by the land tenure system are labour requirements, operating outlays, land value, value of production per farm, and acreages of farms. 16

## ii) Productivity and Efficiency Concepts:

Tenure arrangements will obstruct efficiency if they do not encourage enlargement of farms to meet technological changes, do not give security of tenure that will lead to adoption of effective long-range farm plans and improved farming practices; and do not give a fair division of costs and returns between the individuals involved. 17

Heady, in one study, developed cost functions for each type of tenure and found that the optimal farm size as viewed by the share-tenant will usually result in an output level different from that at which profit is maximized for the owner-operator, even though theoretically the optimal farm size and use of inputs is the same for all individually operated farms. <sup>18</sup>

Tenure has been found to affect farm productivity. Productivity will not be as high as it could be if there is insecurity of expectations due to lack of land title or a written lease; if the rewards are not commensurate with effort, that is, if the variable costs are not shared in the same proportion as output is shared; if no resources such as credit, markets or related resources are freely available; and if social institutions are not based on land productivity. 19



In one study by Heady and Kehrberg, it was found that both share and cash tenants had identical production practices. It was concluded that common farming production practices in the area were a greater factor in deciding what production practices to use than the type of lease. However, it was also found that tenants tended to switch from a share to a cash lease when they had sufficient funds to withstand the greater risks associated with cash rents. <sup>20</sup>

In another study, the differences in improvement expenditures by tenure type were investigated. Over a five year period, Barkley and Pine found that for certain types of expenditures (particularly long-term) owner-operators tended to spend more than tenants. However, they also found that operators with leases of less than three years duration were on farms where more expenditures on improvements had been made, than on farms where the operator had a five year lease. In addition, they also reported that there was no significant relationship between a provision guaranteeing the operator the right to compensation for the unexhausted portion of durable inputs and the amount of expenditure made on improvements. These findings have contradicted common assumptions of the research literature.

In another study, an attempt was made to isolate the effects of tenure arrangements on resource use within firms. Hurlburt found that land was the limiting factor. Not only did the marginal returns exceed the marginal cost of the land for the three types of tenure (owner-operator, part-owner/part-tenant, tenant), but the difference between the marginal returns and costs was greater for owner-operated



farms than for those operated by a tenant. In the same study, a comparison of the average productivity of all farm inputs based on a returns/expense ratio showed that owner-operators had lower ratios than tenants.<sup>22</sup>

In terms of efficiency, different farm tenure arrangements have certain attributes. Theoretically, the owner-operator has the most freedom for decision-making and the most security of the tenure forms. Definite goals and long range planning are more likely to occur. However, Barlowe has claimed that the high capital costs of land make land ownership difficult and property ownership usually represents the end product of a "dynamic process" of farmstead growth. In addition, the mortgaged owner-operator, is limited by his creditors in the way in which risk and uncertainty are shared. His security may be threatened by repayment provisions which do not take into account natural hazards, et cetera. 24

Of all the leasing arrangements, Ottoson has found that the cash-lease has the highest degree of managerial freedom; however, the fixed cash payment, like the mortgage payment, does lead to uncertainty with respect to ability to pay on time. On the other hand, the presence of liquid assets when money does not have to be put into land, allows the cash-lease tenant to take advantage of opportunities such as new cash crops which have quick returns; thus, allowing a more efficient use of resources.



Ideally, the crop-share tenant and landlord should share the proportion of uncertainty relative to their share of the crops. Otherwise, uncertainty will lead to an inhibition of intensive resource use. Miller found that the tenant tends to hold back inputs in cases where only the production output is shared with the landlord, with the result that he uses more land than owners or cash tenants. <sup>26</sup>

Under a livestock lease, tenant and landlord almost always share most of the variable costs, usually according to their share of the products. Under this system, tenant and landlord tend to combine their resources, that is, if the landlord is in dairy, the tenant may be in feed production; thus, the landlord is more heavily involved in decision-making. 27

In another study, Timmons concluded that part-owner/part-tenants, managers and livestock-share tenants seem to have the capacity to change to larger farm sizes and thence, to greater productivity, while owner-operators, cash and share-tenants do not. 28

Miller, at the end of one study listed other considerations which he felt would affect the efficiency of farm operation:

- the inefficient use of resources when tenants constantly move from one farm to another;
- the relationship between soil productivity and landlord especially under part-ownership, that is, does the owner's land receive a greater intensity of resource use;
- resultant conflicts between goals of society versus those of the farmer with respect to soil depletion;



4. the life cycle of the operator as the acreage of land, the labour supply, and production vary with the age of the operator.  $^{29}$ 

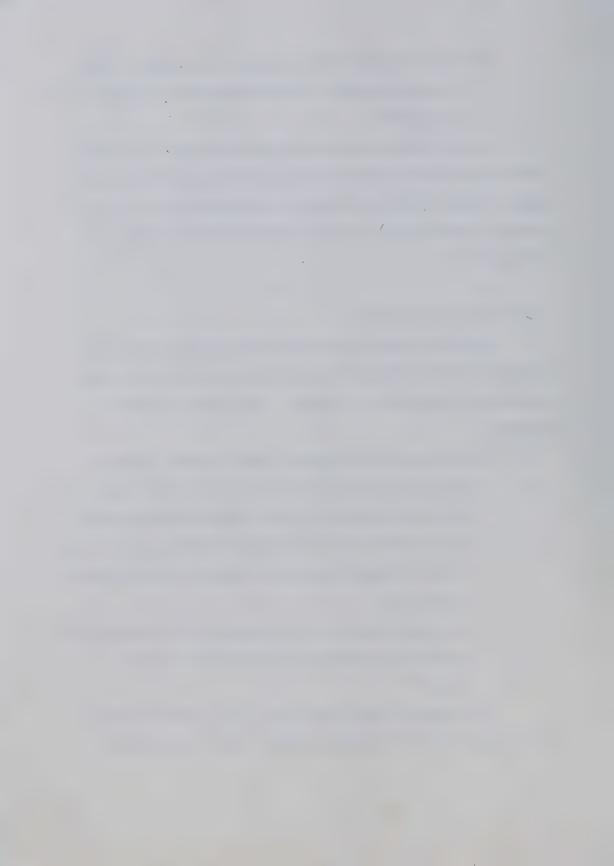
Johnson claims that the economic efficiency of land tenure systems could also be appraised by investigating the definition of legal and tenure certainty, of rights, internalization of costs and benefits, and of freedom, as well as the legal enforceability of contracts.  $^{30}$ 

## iii) Real Property Taxation:

Almost all land is held, even under a system of fee simple ownership, with the obligation to support the government under whose jurisdiction the ownership is enjoyed. Taxation has two basic functions:

- the diversion of resources from individual control to group or government control in order to attain ends that can be accomplished more effectively by concerted action rather than by the sum of individual action, (this leads to arguments about the rights of individual and of society) and
- the encouragement or discouragement of the consumption of goods or the utilization of resources in certain uses.

The principal types of taxes which affect landed property are property, special assessments, capital gains, inheritance and

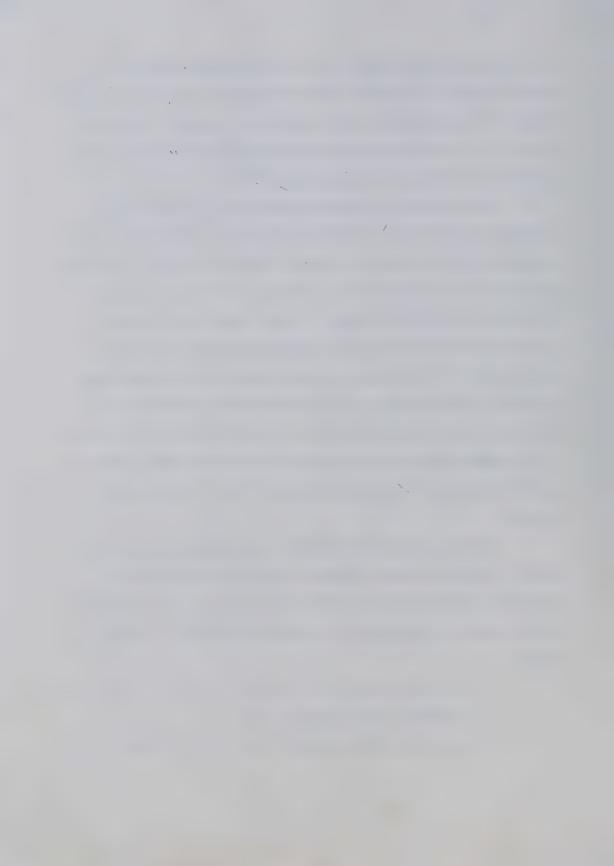


gift taxes, documentary taxes and severance taxes on forest and mineral products. <sup>32</sup> However, almost all research in this area consists either of data summaries showing inequalities in areal assessments as well as in individual properties or of inadequate analyses of the amounts and character of tax delinquency. <sup>33</sup>

With particular reference to tenure goals, Barlowe has stated that when taxes are uniform and equitable, and related to the taxpayer's ability to pay or to benefits that he receives, they often encourage capital accumulation, high levels of living, and a wide distribution of ownership rights. Further, special taxes can be created for different classes of owners, for example, religious organizations. Taxes related to tenure can be used for land reform purposes, such as breaking up of large farms into smaller units. 34 High land taxes during time periods of economic depression can result in substantial areas of tax delinquent land shifting from private to public ownership, for example, the Special Areas in south-eastern Alberta.

At the present time in Alberta, inheritance taxes do not apply to property in land. However, the roll-over provision for farmland transferred within the farm family which is not considered a capital gain for tax purposes, is expected by Anderson to promote both:

- the consolidation of a "landed aristocracy" within the commercial farm community, and
- 2. the more extensive use of land to facilitate the transfer



of wealth between generations. 35

Property taxes could also be used to direct land use by:

- providing revenues for land-oriented development projects,
   and
- 2. serving as a regulatory tool to foster more intensive land use; to promote conservation and environmental goals; to attain particular tenure goals; to influence investment decisions and to enhance property values.

## iv) Farm Leasing Arrangements and the Rental Market:

Levels of tenancy and land productivity have been found to be directly correlated. <sup>37</sup> It was found in the United States that more than half of the total agricultural output came from farms dependent entirely or in part upon rented land. Indeed, in Europe, many problems in resource productivity have been associated with fee simple ownership. <sup>38</sup>

The ideal leasing arrangement would be one in which the ownership and use of resources (for example, land and buildings) are separated in such a way that the efficiency of resource use is not impaired but is improved. However, most rental terms are based on customs of the immediate community and are relatively inflexible. This has led in many cases, to a set of dissociations of costs and returns between individuals and points in time that create incentives for the operator to conduct his farming enterprises at less then optimum levels.



Some documented examples of these dissociations are:

- where the sharing of returns from investments made by
   one party to the contract are such that the investor
   receives only a part of the return to the resource and
   therefore, restricts its use;
- where the tenant is unable, because of short leases and the operation of the rental market, to realize the benefits of investments in which the costs and returns are dissociated in time;
- 3. where there is a low correlation between the charges for land use and the earnings of land, such that the operator may be required to hold part of his resources in a low yielding but readily convertible use.

## v) Valuation of Rights in Land:

The problems of land valuation center on establishing a price for transactions such as transferring ownership, mortgaging, leasing, or taxation. Unless the price determined, is in keeping with the property's marginal value productivity, there will be incentives for an uneconomic substitution of factors which leads to a less efficient use of resources. 40

Thus, efficiency as well as productivity is needed in pricing land in order to have stability of occupancy and income. It has been found that pricing land with respect to its productivity will also contribute to stability of occupancy and income. All Any rapid change in the movement of land prices will have both intermediate and



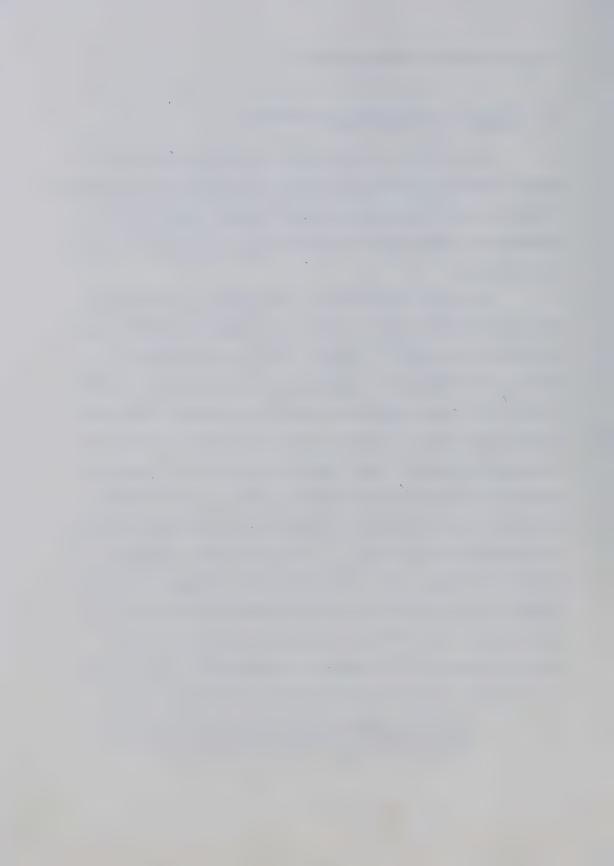
long-term effects on tenure status. 42

vi) Evaluation of Literature concerning the Economics of Property Rights:

While there is no doubt that an accurate statistical data base is needed for problem definition, it is evident from the preceding discussion that little research oriented towards problem-solving in specific land tenure subject areas and using an appropriate data base, has been done.

The study of land tenure as a discipline has traditionally been confronted with questions about the way people "ought" to behave in relation to property. 43 Property rights, as an instrument of society, have derived their significance from the fact that they help a person form those expectations which he can reasonably hold in his dealings with others. 44 Demsetz, Cheung and others have developed an approach to property rights based on its functions. Thus, they define the primary function of property rights as that of guiding economic or social incentives to achieve a greater internalization of the property's externalities. 45 If this is the main allocative function of property rights, then definitions or changes in property rights can best be studied by analyzing their association with the development of new or different beneficial or harmful effects. 46 With this approach to the subject, a literature has developed in the last few years with the following behavioural-economic features:

 Maximizing behaviour is accepted as the norm; each decision-maker is assumed to be motivated by selfinterest and to move efficiently to the most



#### preferred operating position available;

- 2. the institutional environment (for example existing property relations, costs of contractual activities) in which economic activity takes place is precisely specified;
- most problems are discussed in terms of economic efficiency or of conditions in which markets could be developed;
- 4. concern is shown for the individualistic basis of choice; the preferences or values of an individual are assumed to be revealed only through his market or political behaviour.<sup>47</sup>

While holding great promise in a conceptual breakthrough, at the present time, this literature has not progressed much beyond the development of theory.

#### Geographical Analyses of Land Tenure Concerns

Due to the diverse nature of the geographic discipline, it is difficult to precisely categorize research into this area. Many of the economic and socio-economic studies mentioned in this chapter fall within the man-land tradition in geography although they have not been written by geographers per se. This section will outline the few land tenure studies by geographers or those published in geographical journals.

## i) Spatial Distributions and Relationships:

Salter has made an exhaustive review of the land tenure
literature to 1948, which had a spatial or "geographic" orientation. 48
The basic aim of this research was to delimit and describe "type of

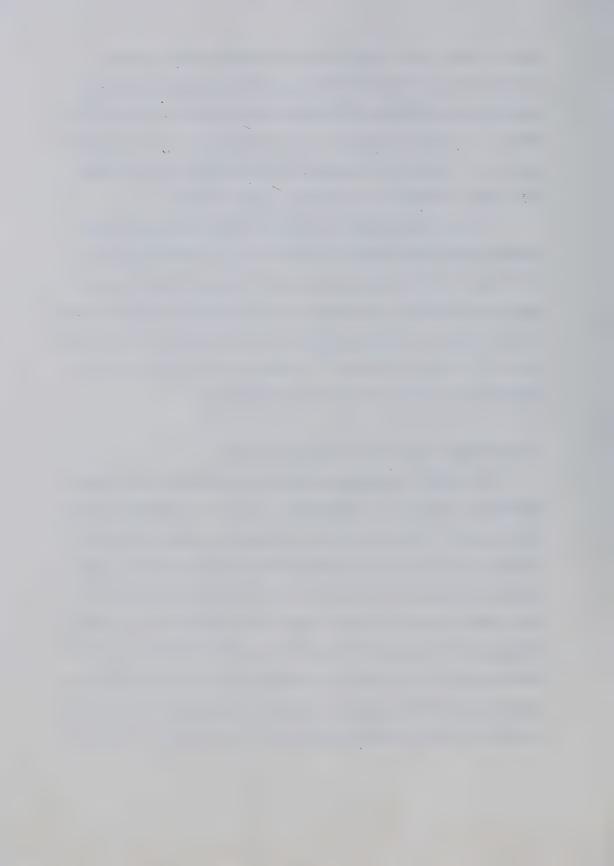


tenancy" areas with a view to reducing landlord-tenant problem analysis to an area basis. 49 Data describing the distribution of selected characteristics were mapped and then, areas of greater/lesser density of those characteristics were delineated. The chief factors used were: percentage of tenancy, kinship between tenant and landlord, kinds and amounts of rents paid, value of farms. 50

Salter noted that most of these studies lacked any initial problem formulation; did not conclude with any problem formulation; and indeed, in their mapping exercises, found that "the variations in tenure characteristics and methods of renting between individual farms are apt to be more pronounced than are the distinguishing characteristics of the areas as a whole." Perhaps for this reason, few geographers have recently followed this methodology. 52

## ii) Settlement History and Landscape Analysis:

Two schools of geographical thought which have been closely connected in the study of land tenure are that of settlement history and landscape. Work by Broek, Hart, Lowenthal, Johnson, Weir, all include an agricultural settlement history of the particular area, a physical description of the area through time and a discussion of some current phenomena, either physical (for example, Hart, on field patterns) or socio-economic (Lowenthal, on common property rights). 53 While an accurate and detailed knowledge of the area to be studied is necessary for problem assessment, most of these types of studies can be faulted in that no problem definition or formulation is developed



from their findings.

#### iii) Planning and Property Rights:

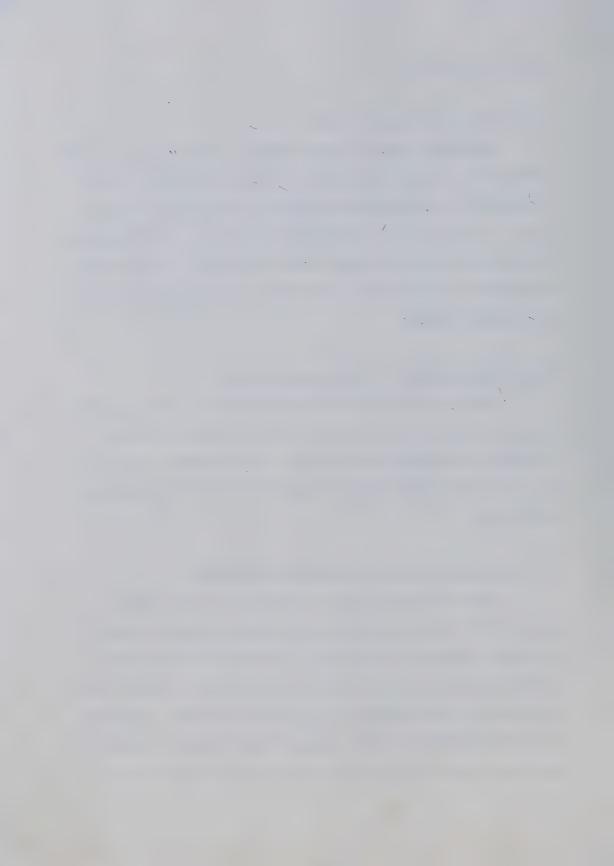
Geographers, such as Bryant, Denman, Kollmorgen, who have been interested in land use planning and the resulting changes in legal institutions, have analyzed both changes in the physical landscape as well as those in social and economic interactions. <sup>54</sup> Unfortunately, many of the examples are unique in time and in place, and the resulting analysis tends to be descriptive only, with little applicability to problems elsewhere.

## Socio-Economic Analyses of Land Tenure Concerns

Most of the studies in this general area have been done from the sociological point of view, and again, are involved in data collection and problem definition only. The following summaries of areas of socio-economic-political research are mainly philosophical exploration.

## i) Land Tenure Processes and the Beginning Farmer:

One of the major concerns of Prairie agriculture today, appears to be that of encouraging young people to take up farming for their livelihood. To the young individual who wants to start farming, capital is the most scarce resource needed. However, others feel that the more formidable the restriction of capital, the fewer unqualified people will begin farming. Nevertheless, it should be noted that farmers in North America are generally older than the



normally employed population and that in the future, it may not be possible to replace these human resources with persons best suited for agriculture.

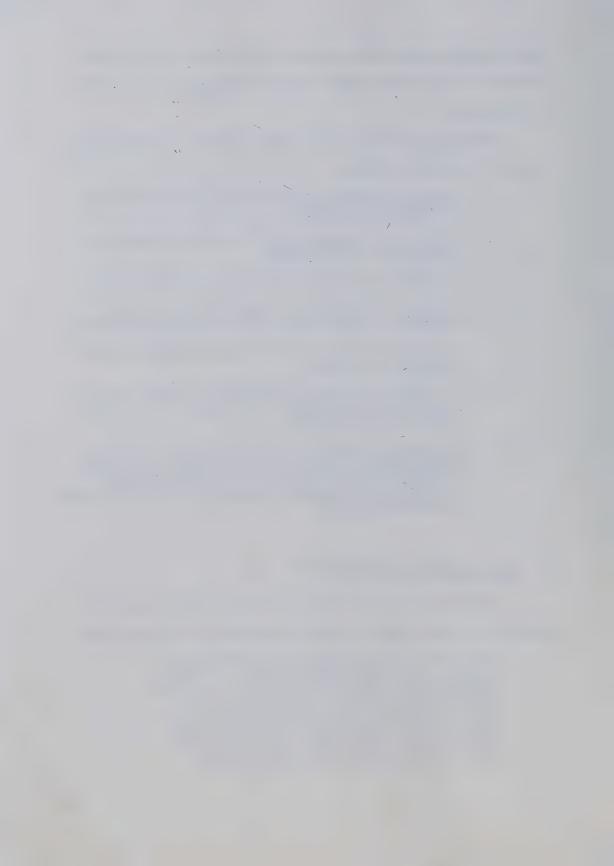
Ottoson has outlined seven areas of concern in which tenure research is presently lacking:

- interest rates and the availability and flexibility of arrangements for credit;
- the price of land and whether it is established by nonagricultural use and demand;
- the effect of tax policies (property, inheritance);
- 4. the role of migration from farms in increasing the incidence of inheritance of farms by non-farm residents;
- 5. the extent of the renewal of capital investment by each generation of farmers;
- 6. in a family operation, the effects of younger marriages, lengthened life expectancy, the length of time a son will work for his father;
- 7. the extent, and effects on farm operation transfer, of semi-retirement on the land of both farmers and people from non-farm areas and whether retirement insurance benefits tend to advance or postpone the transfer of land use and ownership. 56

# ii) Aspects of Risk and Uncertainty in Agriculture and Land Tenure:

Ottoson maintains that the tenure system cannot be used to eliminate the basic causes of risk and uncertainty. He states that:

Risk can be reduced only through technological progress, such as the development of . . . rust-resistant wheat, whereas uncertainty can only be diminished by such actions as stabilizing the general level of prices and other economic factors which are variable but related among themselves. The most that can be achieved tenurewise is to make the tenure system a neutral



force when the farm operator attempts to deal with risk and uncertainty.  $^{57}$ 

However, Schickele maintains that

institutional arrangements (such as land tenure) should be adjusted in such a way that every competent and honest farmer with at least an adequate minimum set of resources can remain solvent in the face of income losses caused by external risks. 58

A research symposium on risk and uncertainty in agriculture, twenty years ago, concluded that research on tenure arrangements needed to be concerned with the reaction of (or effect on) the individual to risk and uncertainty in connection with tenure arrangements.

Specifically mentioned were:

- 1. the wide variation of income experienced,
- 2. fixed rental payments which shift the risk to the tenant,
- tenants paying less under cash leases (buying larger income but assuming more risk), and
- 4. hit and miss methods by which adjustments are made between landlords and tenants and their relation to risk and uncertainty.<sup>59</sup>

In concluding, they mentioned the following areas for future research:

- determination of income differentials under various ownership and rental arragements, or combinations thereof, considering both level and variation of income,
- 2. relation of economic rent to contract rent,
- effect of creative bargaining in developing economic units on the reduction of risk,



- determination of whether more knowledge on the part of landlords and tenants increases or decreases area of bargaining,
- effect of public ownership on risk and uncertainty due to problems of multiple use, level of rent, capitalization of associated land resources and instability of tenure.

None of these research problems have been pursued.

## iii) Agricultural Programme Development Theory:

The importance of land tenure to various agricultural development programmes depends largely upon 1) the relationship of property to the distribution of income and 2) Government programmes which directly or indirectly affect the value of products, for example price supports or programmes which affect the distribution of rights in resources. 61

Ottoson believes that government programmes which are of greatest relevance to land tenure are those that:

- limit access to resources in order to control the supply of certain products,
- assist in re-organizing or improving farms and farm production such as credit and extension programmes,
- make such conservation and development investments in long term resource use as conservation payments to farms.



4. make personal assistance and welfare payments. 62

McEntire, in his summary of world land policies, found that almost all governments, due to pressure from the agricultural population for income parity with other sectors, were involved in programmes such as:

- price fixing, price supports, financial incentives for capital investment, education and social programmes and,
- 2. land consolidation, land marketing operations, control of land subdivision, control of maximum of minimum sizes of farms.  $^{63}$

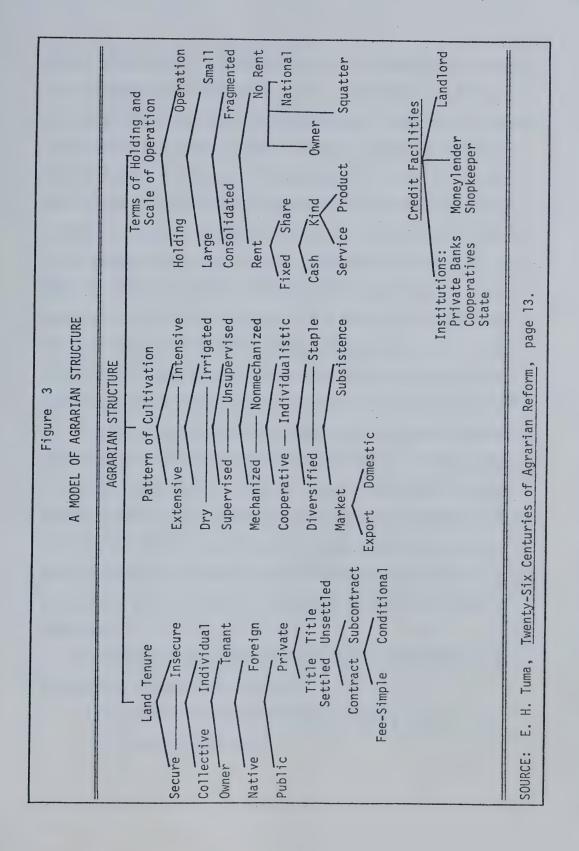
Unfortunately, he does not offer any analysis of the effects of these programmes in the various countries.

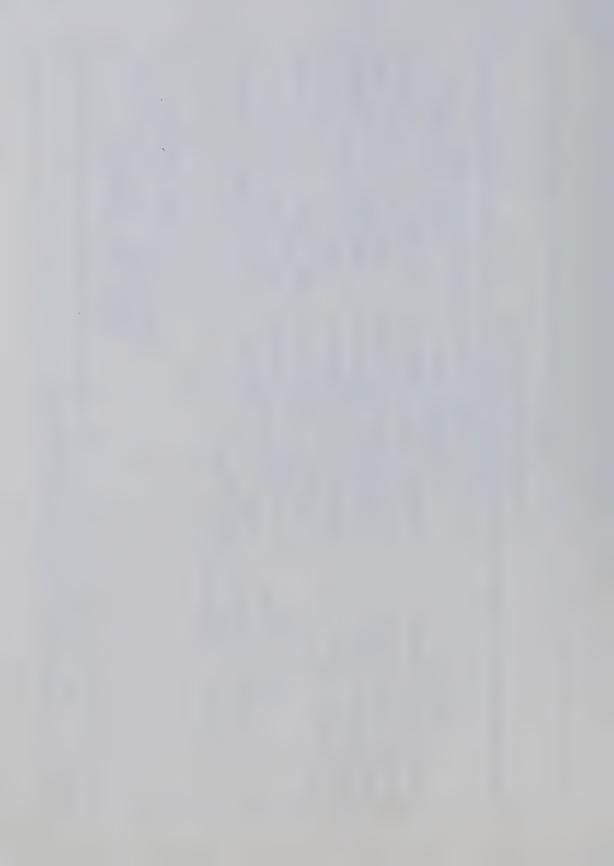
Land tenure research, particularly when associated with land and agrarian reform, encounters many problems involving the inter-relationships between social and economic changes and processes. The function of land tenure research, according to Ottoson, should be to predict the effect of ownership and control arrangements on various economic and social variables.<sup>64</sup>

Tuma has proposed a model of the effects of land tenure reform on an agrarian structure, defined as consisting of three main sectors:

- 1. tenure or title to the land, and
- 2. pattern of cultivation and terms of holding, and
- scale of operation (see Figure 3).





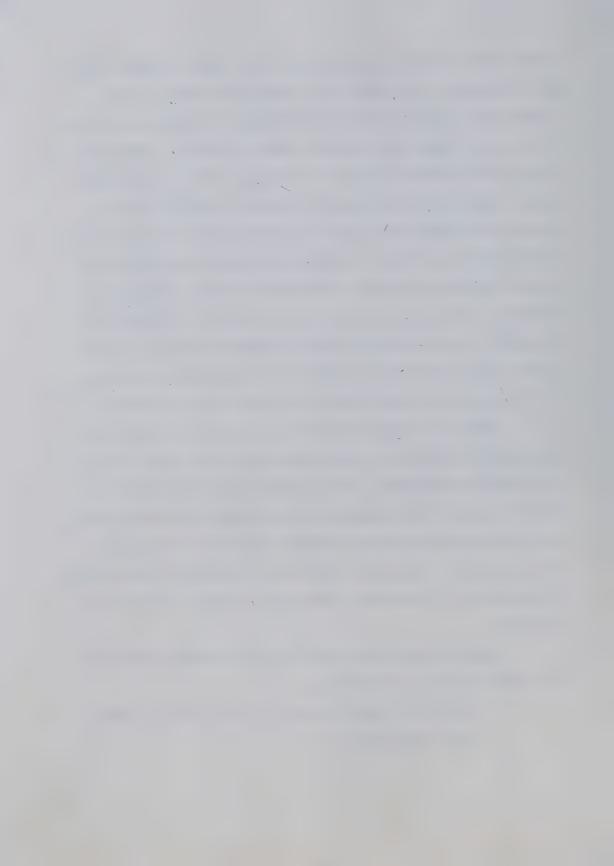


Each of these sectors is subject to reform or change (reform implying an improvement, while change has no value implications). These sectors while related, are fairly independent of each other, as reform in one sector may or may not entail reform in another. Each sector as an independent entity can be the object of reform. On the other hand, change in one sector may have direct or indirect impact on another (for example, security of tenure may lead to intensive diversified market production). As well as the above considerations, the model of agrarian structures differentiates between ownership and operation of the land as the owner is not necessarily the operator. The model also differentiates between holding and operation, since one may hold a large amount of land while its operation may be on a small scale due to fragmentation or operation in small tenancies. 65

Tuma, on the basis of this model, has stated that agrarian reform may be defined as a rapid improvement in one or more sectors of the agrarian structure. This definition subsumes both the historical concept of land reform and the modern one of agrarian reform. He, then, has defined agrarian reform as consisting of two general areas of reform: land tenure reform and land operation reform (reform of the pattern of cultivation or the terms of holding and scale of operation).

A model of land tenure reform was then developed and evaluated according to these two criteria:

 whether the reform has been consistent with the objectives of the reformers,



2. whether it has been favourable to the farmers and operators of the land.  $^{66}\,$ 

Parsons has stated that reform occurs only when certain conditions such as concentration of land or extreme inequalities of wealth, income and power are present.<sup>67</sup> However, Tuma has stated further that the most significant precondition appears to be dynamic changes in political structure and in economic organization.<sup>68</sup>

On the basis of examples of agrarian reform from England, Russia, Mexico, France and early Egyptian, Roman and Greek cultures, he has developed some general "propositions" on land reform. Despite the cultural and historical differences of these countries, he has proposed that there is a similarity in the objectives of the reformers, in the processes of reform and thus, in the results. It should be noted that there is sometimes a distinction between the objectives and the needs (social and economic) of the peasants and the reformers and that, in the model which Tuma has proposed, both systems start with the same background and preconditions (See Figure 4).

Differences in agrarian reform are of philosophy and basic premises (that is, objectives) which in turn dictate methodology (process), and of extent of implementation (effects). Class 1 and Class 2 illustrate the two extreme of ideal ways of reform. According to Tuma, the objectives, processes, and subsequent effects of Class 1 are generally characteristic of western capitalistic democracies, while those of Class 2 are characteristic of socialistic or communistic states. A Class 3 which would be a mixture of Class 1 and 2 is postulated but not developed.

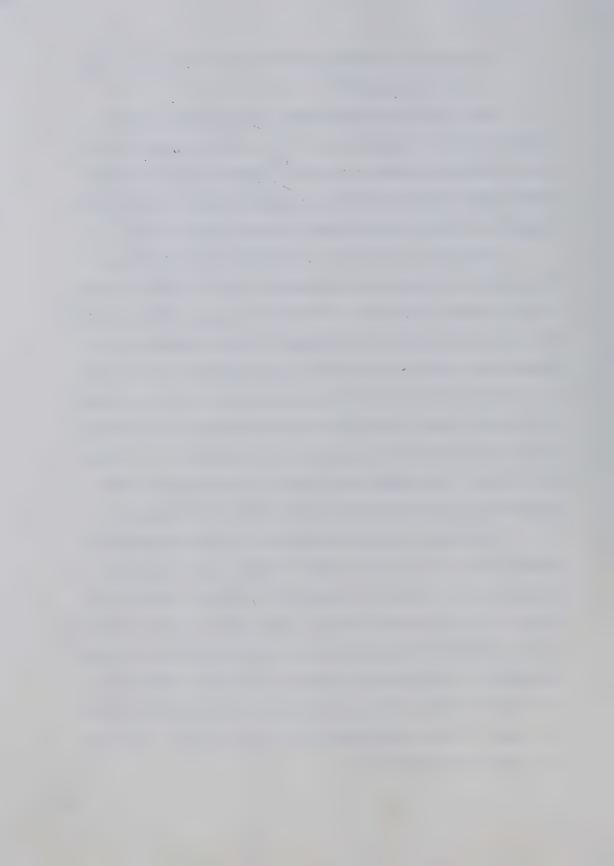


Figure 4 TYPES OF AGRARIAN REFORM	Class II		Eliminate private tenure and pro- mote public tenure	Advocate collective holding and operation	Advocate large-scale business farms*	farms* Advocate elimination of rural wealth and income equality	Promote a classless democracy based on harmony		ends to gradualism while Class II the criteria of status and power.	t emphasis on this political new political systems, while Class II
	Class I	OBJECTIVES	la Maintain and promote private tenures	2a Advocate individual holding and operation of the land	3a Advocate and promote small family farms*	4a Advocate reduction of rural wealth and income inequality	5a Promote a democracy based on conflict with checks and bal-ances	Common Features	6a Both advocate social and political mobility, but Class I tends to gradualism while Class II advocates overthrowing existing institutions and changing the criteria of status and power.	7 Both seek legitimacy of a political structure and put great emphasis on this political objective; however, Class I may do so to stabilize old or new political systems, while Class II does it to stabilize a new system.





Figure 4 (continued)	REFORM	Class II		Public collective tenure and no tenancy	Large-scale operation, higher la- bor productivity, and reduc- tion of underemployment	Elimination of ownership and hence of wealth concentration; differential income consistent with new meaning of equality	Potentially capable of creating equality. Absence of class conflict and apparent stability of political system	amounts to an upheaval.+	nited while in Class II it is complete.	Uniform tenure	Reform , page 224.
	TYPES OF AGRARIAN REFORM	Class I	EFFECTS	lc-2c Private individual tenure and ten- ancy	<pre>3c Small-scale operation, little im- provement of labor produc- tivity and toleration of under- employment</pre>	<pre>4c Continued inequality and concen-     tration of wealth and income.     Potentially incapable of creat- ing equality</pre>		6c Both cause social change, but in Class II the change amounts to an upheaval,+	10 Both advance state control, but in Class I it is limited while in Class II it is complete.	11 Dual tenure	SOURCE: E. H. Tuma, Twenty-Six Centuries of Agrarian Reform, page 224.



There are seven generalizations about agrarian reform which he has derived from his theory. These are summarized as follows:

- To the extent that private ownership of land is permitted and land sale is practised, it is highly probable
  that there will be land concentration. The social and
  political problems thus created will usually be solved
  by using land tenure reform.
- 2. There is a relationship between land tenure and the system of economic organizations and political structure. A small change in the economic or political structure will exert pressure on the land tenure system which in turn will cause a greater change in the economic organization and political structure.
- Though the objectives of reform are valid, the primary objectives are usually political, regardless of who initiates the reform.
- 4. When there are political reasons for reform, land tenure reforms will benefit the peasant class in proportion to their significance in the reform group.
- 5. Land tenure reform improves agricultural labour productivity to the extent that it promotes large-scale operation of the land and allows capital investment, regardless of ownership. Land tenure reform will be accompanied by a reduction of surplus labour if new sources of employment are available.

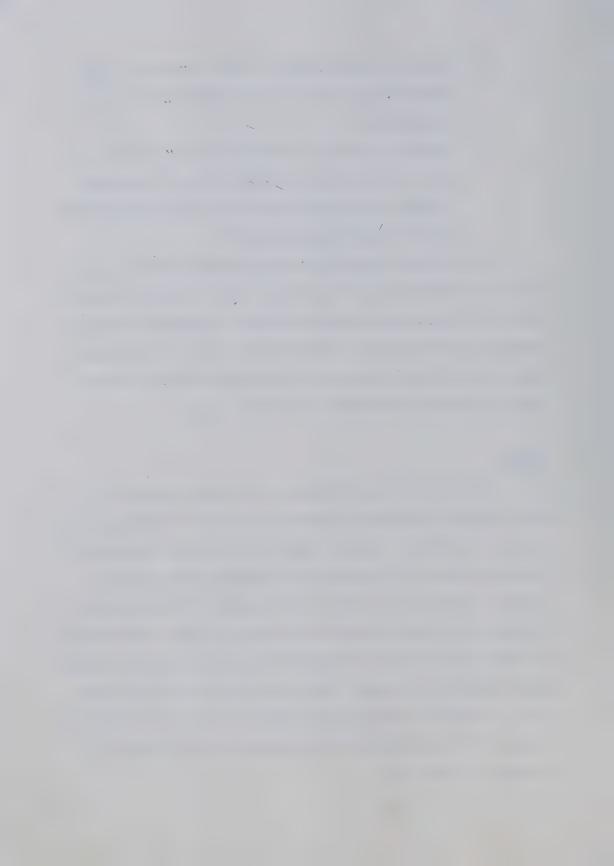


- Land tenure reform equalizes wealth and reduces concentration of land ownership and private ownership becomes less absolute.
- 7. Land tenure reform can achieve short term political goals, such as stability and legitimacy of the regime in power, but it doesn't satisfy the long term objectives of complete wealth equalization.

Tuma's model of agrarian reform is probably the best descriptive model of the effects of land tenure reforms, to date. However, the lack of economic data to make quantitative comparisons of various changes and the lack of any economic models (as well as the strong underlying bias towards capitalistic land tenure reforms) limit the model's usefulness in describing land tenure change.

### Summary

As a discipline, the function of land tenure analysis has been to predict the effect of ownership and control on various economic and social variables. Economic research has centred on the efficient allocation and use of land and related resources, on the economic relations associated with landed property, and on the institutions by which land is controlled and their effect on income. Socio-economic research has been mainly concerned with the structuring of agricultural development programmes. Most of the work is descriptive and consists of problem definition only. Some of the concepts from these studies will form the basis for the hypotheses of this thesis, as contained in Chapter Five.



## List of Footnotes: Chapter II - Review of Land Tenure Literature

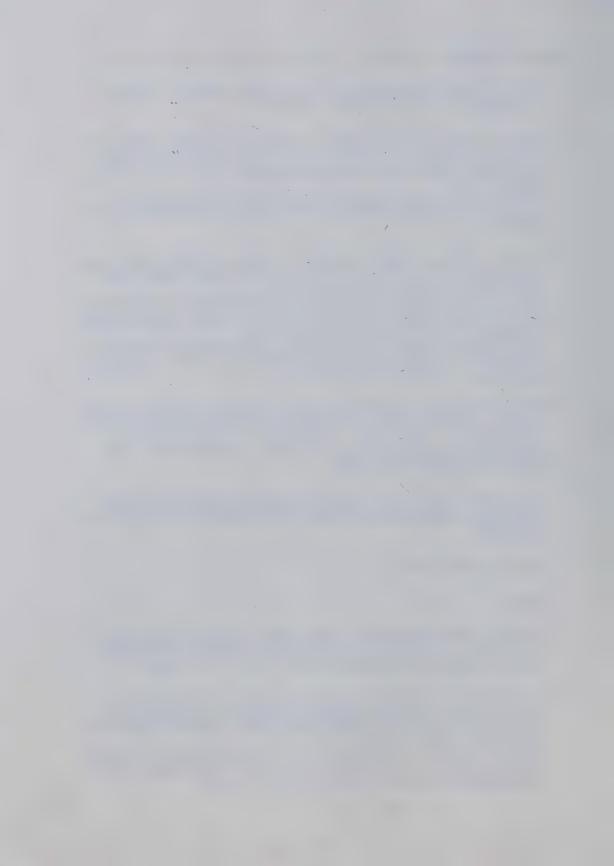
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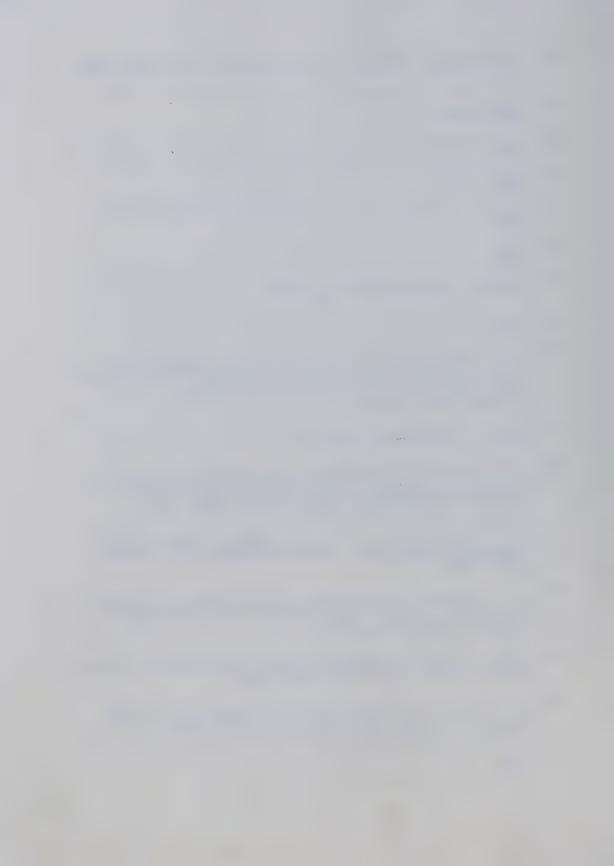
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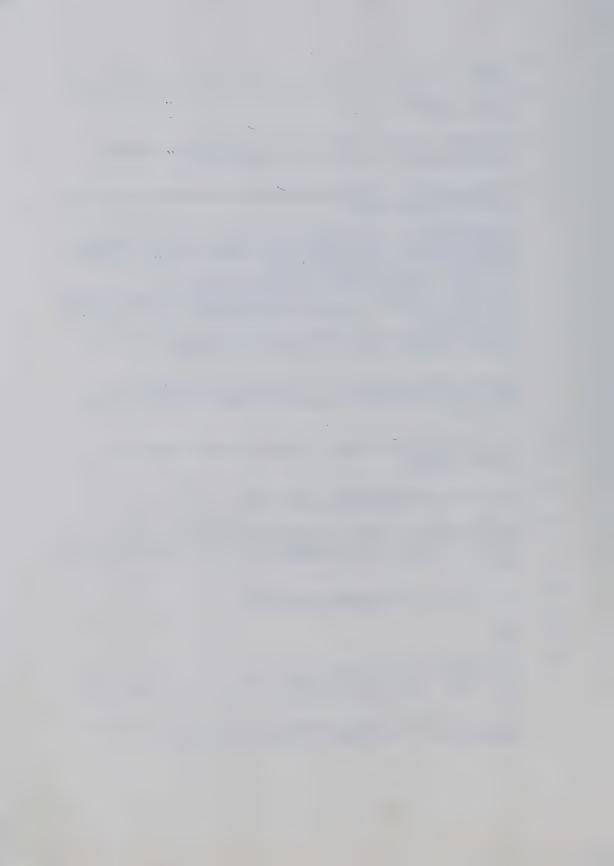
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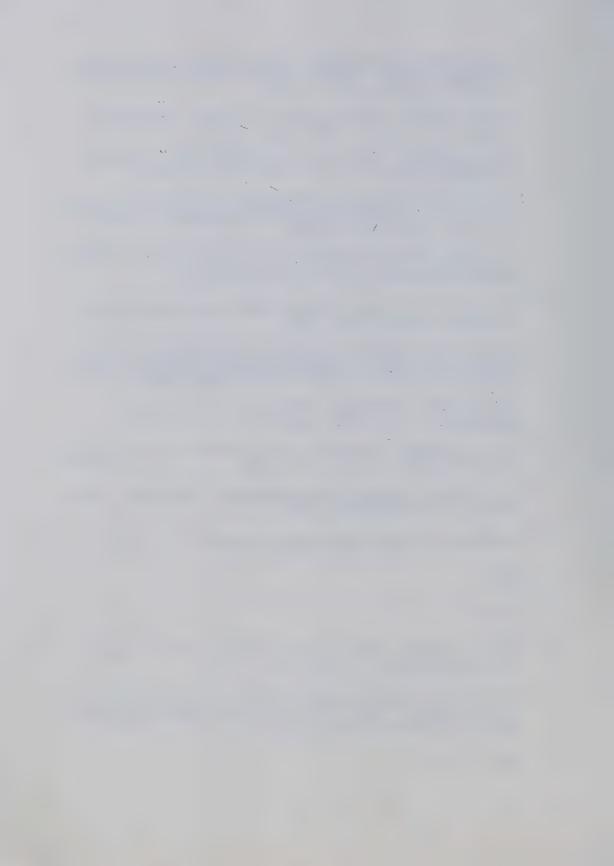


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#### CHAPTER III

# REVIEW OF ALBERTA PRIVATE LAND TENURE STATISTICS AND RELATED LITERATURE

### General Introduction

Moyer <u>et al</u> as well as Brown and Bens have identified two major objectives of the North American land tenure system which have been:

- 1. the attainment of full owner-operatorship of farm's resources, and
  - 2. the achievement of reasonably secure and adequate net incomes.

In order to gain insight into the pattern, significance, and contributions of the land tenure system to other social and economic aspects of the agricultural firm, it is necessary to describe the farm structure. Until recently, most studies of farm structure in Canada have centred on productivity and efficiency measures, various dimensions of size and scale, land values or sociological aspects such as education, migration. In the following chapter, a review of census and other secondary source data from Alberta will be compared with results from similar descriptive data analyses in the United States and Saskatchewan, from the viewpoint of land tenure effects.



### Size and Scale Considerations

Timmons has found in his studies in the United States that measures of farm size which are most influenced by the land tenure system are labor requirements, operating outlays, land value, value of production per farm and acreages of farms.<sup>3</sup>

The major period of settlement in Alberta occurred between 1900 and 1930. The number of farms in Alberta, as recorded in the Census of Canada, reached a peak high of 99,732 in 1941 and that has since decreased by a third to the present figure of 62,702 farms. The average area of these farms has almost doubled since 1941 (434 acres ((175.63 hectares)), 1941; 790 acres ((319.70 hectares)), 1971), and the total farm area has increased by some six million acres (2.43 million hectares) over that period (See Appendix 2).

The average number of acres per farm has increased in the last three decades with sustained increases in farm sizes over 960 acres (388.50 hectares, 1 1/2 sections) due to more efficient capital and labor use. The other land-size groups which have shown an increase in acreage are the farms with eleven to one hundred acres (5 to 41 hectares). These have reflected the increase in part-time farming, rural subdivision, and recreational land use.

During this period, the number of acres of improved land has continuously increased. Both acreages of land under crops and under pasture land have grown dramatically, the latter reflecting the increasing diversification of grain farm enterprises to livestock. Land acreage in summerfallow has remained relatively constant. At the same



time, unimproved acreage including woodlands, has remained relatively constant. Thus, most of the new cropland has resulted from new land being broken, particularly in the northern part of the province. (In 1971, 3,616 farms averaged 47.58 acres ((19.25 hectares))/farm of new land broken.)

Land real estate values have generally escalated in the last few decades. In 1963, the average value per acre was \$47.00; by 1967 it was \$73.00 (Average value per hectare was \$116.14 and \$180.37, respectively). At the end of the decade, the average price per acre fell to \$54.50/acre (\$134.67/hectare). In 1971, the average price of land started to rise and by 1972-73, was \$95.02/acre (\$234.79/hectare). In 1974-75, the average price per acre of all rural real estate sold in Alberta was \$138.37 (\$341.91/hectare), with sales of 3.58 million acres (1.36 million hectares). This represented an increase of approximately 6 percent in the total acreage sold with a corresponding 35.6 percent increase in average rural real estate values, over 1973 figures. Agricultural real estate values, while showing a large variation across the province had increased to an average value of \$108.13/acre (\$267.19/hectare) in 1974 from \$54.50/acre (\$134.67/hectare) in 1970 - an increase of 98.4 percent.

It has been seen in Alberta that the largest average number of acres per farm are operated by part-owner/part-tenants (1,316.67 acres or 532.84 hectares), followed by tenants (890.55 acres or 360.39 hectares), with full owners having the fewest average number of acres (476.41 acres or 192.80 hectares). (See Table 2.) As is indicated in Figure 5 (Table 3), the number of full-owners is decreasing while the



Table 2
CHARACTERISTICS OF FARM SIZE IN ALBERTA
BY FARM TENANCY TYPE, 1971

	Total	1	Type of Ten	
Item	Census Figure	Owner	Tenant	Part-Owner/ Part-Tenant
Number	62,702	37,193	4,225	21,284
Percentage		59.3	6.7	33.9
ACREAGES (Hectares)				
Av. No. of Acres	789.54	476.41	890.55	1,316.67
(Hectares)	319.52	192.80	360.39	532.84
Av. No. of Improved Acres	453.89	321.99	353.25	704.37
(Hectares)	183.68	130.30	142.96	285.05
Av. No. of Unimproved Acres	335.65	154.42	537.30	612.30
(Hectares)	135.83	62.49	217.44	247.79
CAPITAL VALUES				
Av. Total Capital Value (\$)	83,603	63,941	64,610	121,732
Av. Capital Value of Land and Buildings (\$)	56,302	42,939	48,006	81,300
Av. Capital Value of Machinery & Equipment (\$)	13,834	10,981	9,004	19,780
Av. Capital Value of Livestock & Poultry (\$)	13,463	10,018	7,597	20,648
VALUE OF PRODUCTION				
Av. Value of Agric. Products Sold (\$)	13,278	10,464	7,836	18,806
LABOUR REQUIREMENTS				
Total Weeks of Labour per Farm Reporting	26.3	22.6	16.9	31.5
Male	25.2	21.1	16.5	30.7
Female	22.1	26.7	8.8	17.6
Pd. Yr. Round Wrkr.	2.2	2.3	1.5	2.9
Av. Days of Operator Off-Farm Work	149.9	161.7	165.6	119.0

SOURCE: Statistics Canada: Alberta Agriculture, 1971.



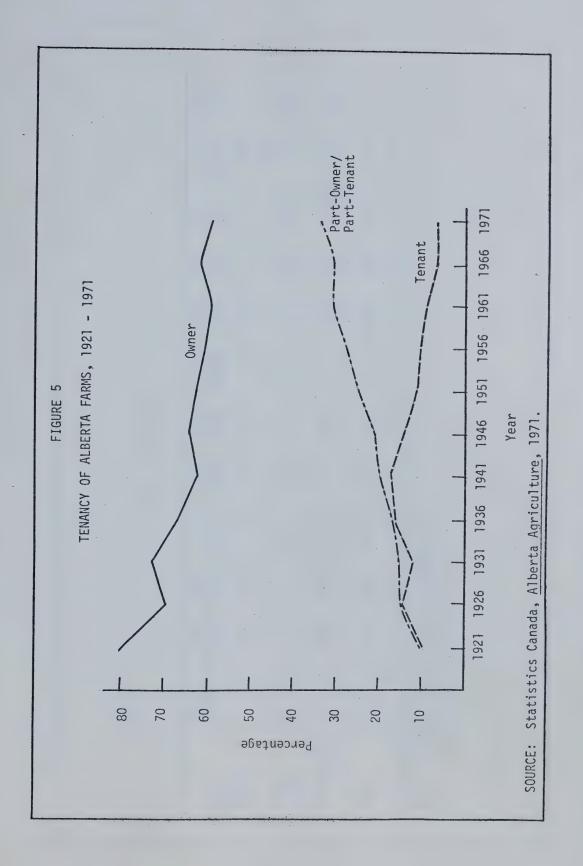




Table 3
TENANCY OF ALBERTA FARMS, 1921-1971

	Year	1921	1926	1931	1936	1941	1946	1951	1956	1961	1966	1971
Farms	Total No. 74,000	74,000	68,823	86,917	89,550	93,200	84,350	84,315	79,424	73,212	69,411	62,702
Managed	No.	999	619	261	358	559	337	290	794	439	486	1
	%	0.9	6.0	0.3	0.4	9.0	0.4	0.7	1.0	9.0	0.7	1
Tenant	No.	7,178	6,979	10,517	14,507	15,937	12,315	9,781	8,498	6,736	4,581	4,225
	%	7.6	14.5	12.1	16.2	17.1	14.6	11.6	10.7	9.5	9.9	6.7
Owner-Tenant	No.	7,400	10,255	12,951	14,776	18,454	17,545	2	21,842	22,769	21,309	21,284
	3-6	10.0	14.9	14.9	16.5	19.8	20.8	25.0	27.5	31.1	30.7	33.9
Owner	No.	58,756	47,970	63,189	59,909	58,250	54,153	52,865	48,290	43,268	43,035	37,193
	26	79.4	7.69	72.7	6.99	62.5	64.2	62.7	8.09	59.1	62.0	59.3

SOURCE: Alberta Agriculture: A History in Graphs, 1972.

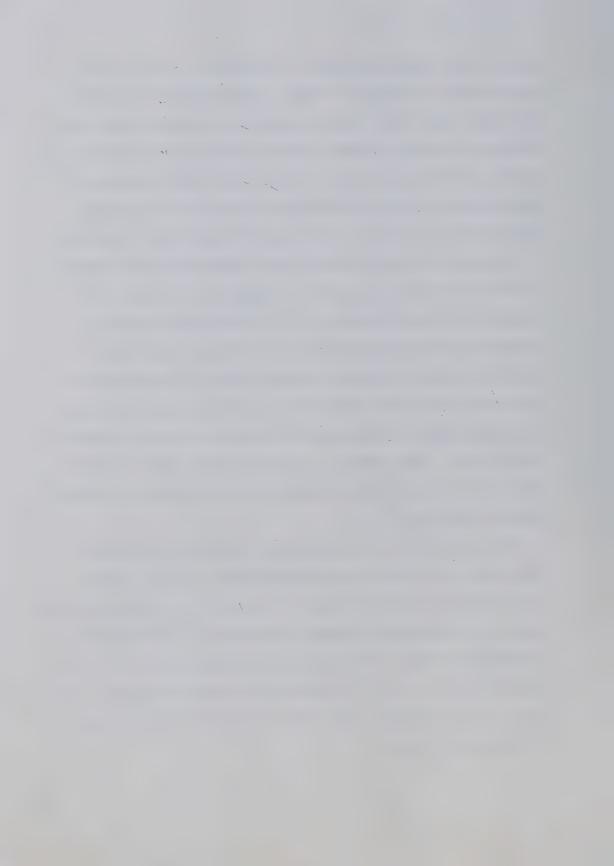
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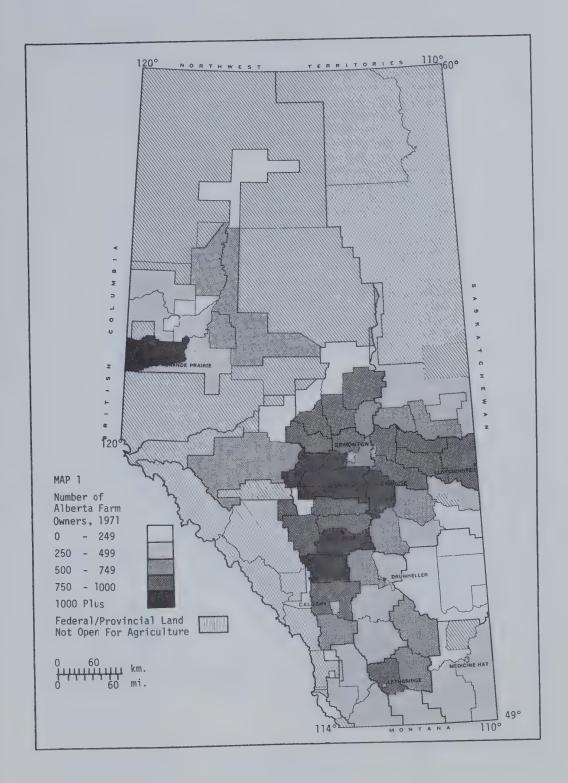


number of part-owner/part-tenants is increasing, a pattern similar to other Prairie Provinces. Indeed, the percentage area operated by a tenant (both tenant and part-tenant) has increased to more than one-third of farmland currently operated (See Figure 6, Table 4). The majority of fully-owned farms are found in the 70-399 acreage size group (28-162 hectares) and the number of fully-owned farms beyond that size group decreases rapidly from there (See Figure 7, Table 5).

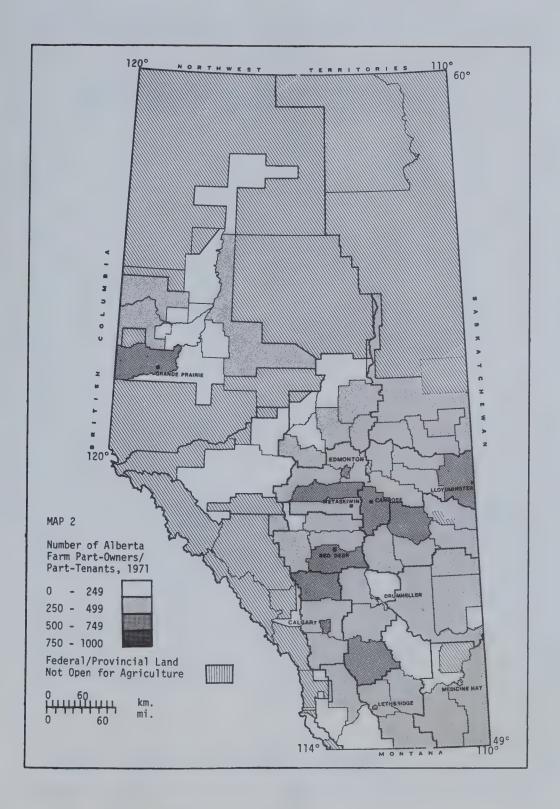
The number of farms operated by part-owner/part-tenant increased as the size of farm increased with the majority in the 760-1,119 acreage group (308-452 hectares). It is interesting to note that part-owners/part-tenants operate, on the average, twice as much improved acreage as the tenant or owner; however, part-owners/part-tenants and tenants have almost twice as much unimproved acreage as the average farmer, and approximately four times the amount owned by the full-owner. (See Table 2.) Similar patterns of ownership have been found in recent separate studies in the United States by Boxley, Johnson, Moyer et al.

The distribution of farm owners and of farm part-owners/part-tenants are shown in Maps 1 and 2 respectively. A close positive correlation has been found between soil productivity and the population density and distribution throughout the province. (See Appendix 2 for distribution maps.) The most densely populated areas occur in the black and dark grey soils. Concentrations of population occur in the other soil groups wherever more fertile soils are found, for example, the Peace River region.











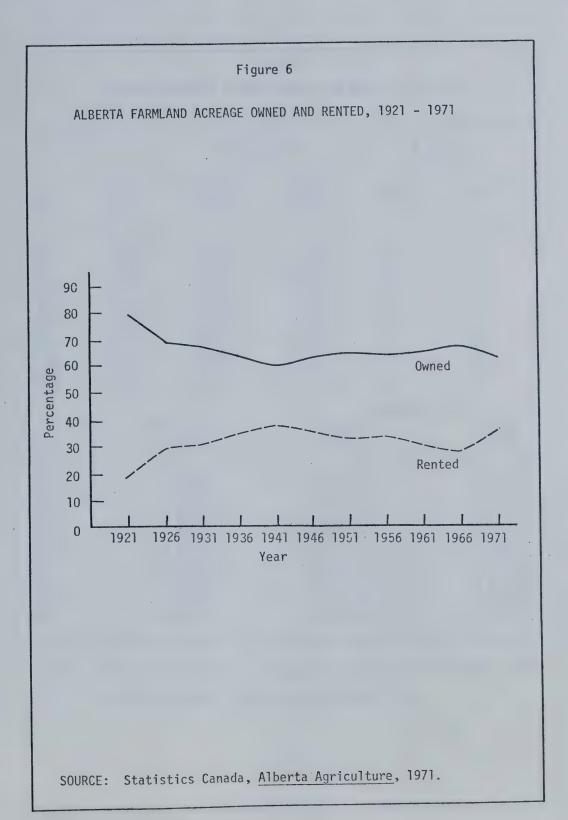




Table 4

ALBERTA FARMLAND ACREAGE OWNED AND RENTED, 1921-1971

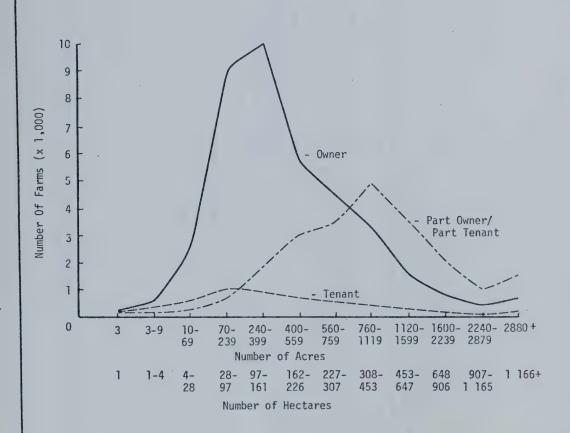
	Area In		Operated By		Area ated By
Year	Farm '000 ac	Owner '000 ac	Tenant '000 ac	Owner %	Tenant %
1921 1926 1931 1936 1941 1946 1951 1956 1961 1966 1971	29,293 28,573 38,977 40,540 43,277 41,451 44,460 45,970 47,229 48,983 49,506	23,727.3 20,286.8 26,894.1 26,351 26,831.7 26,528.6 29,343.6 29,880.5 32,021.3 34,533 31,712	5,565.7 8,286.2 12,082.9 14,189 16,445.3 14,922.4 15,116.4 16,089.5 15,207.7 14,450 17,794	81 71 69 65 62 64 66 65 68 71 64	19 29 31 35 38 36 34 35 32 29 36
			A	rea Opera	ted by
Year		in Farm 000 ha	0wner '000 ha		Tenant '000 ha
1921 1926 1931 1936 1941 1946 1951 1956 1961 1966 1971	11 15 16 17 16 17 18 19	854.47 563.09 773.45 405.97 513.60 774.64 992.34 603.42 112.92 822.73 034.39	9 602.1 8 209.7 10 883.6 10 663.8 10 858.4 10 735.7 11 874.9 12 092.2 15 791.3 13 975.0 12 833.4	8 7 8 1 5 4 2 7	2 252.36 3 353.31 4 889.78 5 742.09 6 655.18 6 038.89 6 117.40 6 511.20 6 154.34 5 847.71 7 200.98

SOURCE: Alberta Agriculture: <u>A History of Agriculture in Graphs</u>, 1972.

Statistics Canada: <u>Alberta Agriculture</u>, 1971.



. Figure 7
ALBERTA FARM TENURE BY ACREAGE OF FARMS
AND NUMBER OF FARMS, 1971



SOURCE: Statistics Canada, Alberta Agriculture, 1971



Table 5 SIZE OF FARM LAND BASE AREA

			Total	Acres	Under 3	3-9	10-69	70-239	240-399	400-559	560-759	760-	1,120-	1,600-	2,240-	2,880+
No.	Item	Unit	Census-Farms	Hectares <sup>1/</sup>	ı	1-4	4-28	28-97	191-76	162-226	227-307	308-453	453-647	648-906	907-1 165	1 166+
<b>⊢</b>	Total Number of Farms	No.	62,702		204	700	2,521	10,609	12,606	9,128	8,196	8,478	4,846	2,479	1,073	1,862
	Farms Classified by Tenure of Operator:															
2	Owner	No.	37,193		139	555	2,137	9,132	9,730	5,678	4,315	3,275	1,321	480	196	235
m	Tenant	No.	4,225		99	136	309	959	927	493	415	387	228	113	50	143
4.7	Part-Owner/ Part-Tenant	No.	21,284		:	ø	75	518	1,949	2,957	3,466	4,816	3,297	1,886	827	1,484

SOURCE: Statistics Canada: Alberta Agriculture, 1971.

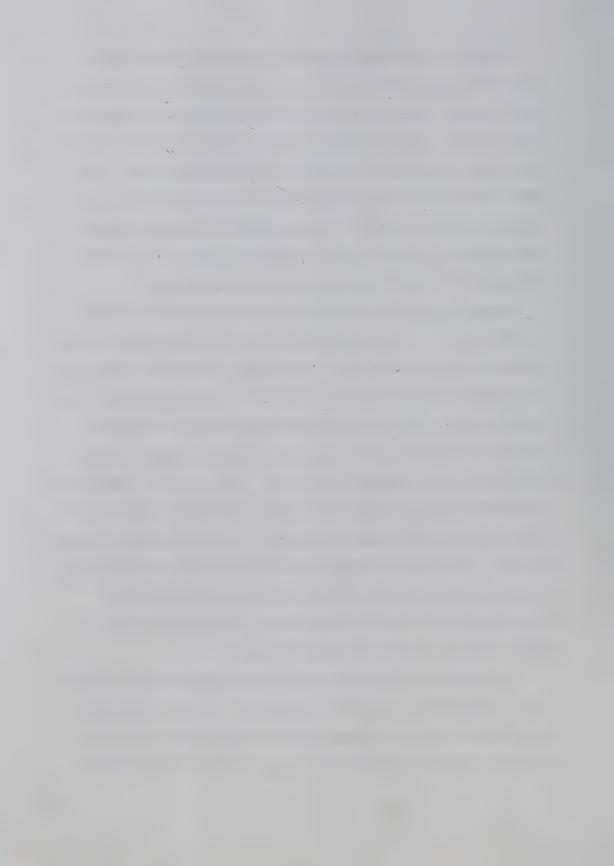
<sup>1/</sup> Acres converted (1 ac. = .404686 ha.) and rounded to nearest whole number.



There is a significant difference in the land tenure pattern between soil groups (See Table 6). Farmers in the brown soil group own 41 percent, while those in the dark brown zone own 67 percent of their farmland. However, the black, dark grey and grey wooded soil farmers own approximately 75 percent of the land they farm. This basic difference in ownership percentage is probably due more to the extensive acreage of public lands available for leasing in Improvement Districts 1, 2 and 3 as well as Special Areas 2, 3 and 4, than differences in farmers' attitudes toward land ownership. 11

However, acreage of farms does not indicate either the value of the land or the total production per farm, both of which are more indicative of size than acreage, particularly in terms of productivity. Part-owners/part-tenants in Alberta have twice the average total farm capital value of that of the full-owners and tenants. The same is observed for average capital value of land and buildings, machinery and equipment, and livestock and poultry. (See Table 2.) Part-owners/part-tenants also sell approximately twice the value of agricultural products sold by full-owners and tenants. As is illustrated in Figure 8, Table 7, full-owners dominate the \$5,000 and under category while the distribution of part-owners/part-tenants falls between the \$10,000 and \$15,000 value of agricultural products sold. Tenant farmers maintain the lowest figure throughout.

A breakdown of agricultural land values associated with different types of tenure is not available for Alberta. In the United States, it was found that the full-owner had the lowest average land value per farm, while the part-owner/part-tenant had the second highest



		•	Table 6		
	ALI	ALBERTA SOIL GROUPS BY FARMLAND TENURE TYPE, 1971	Y FARMLAND TENUR	E TYPE, 1971	
	Total A	Total Area Farmed	Area	Area Owned	Area Owned
Soil Groups	Acres	Hectares	Acres	Hectares	as a % or Total Area Farmed
Brown	12,862,561	5 205 298,36	5,329,718	2 156 862.26	41
Dark Brown	8,126,683	3 288 754.84	5,404,039	2 186 938,93	29
Black	16,320,887	6 604 834,48	11,927,748	4 826 992.63	73
Dark Grey	6,906,337	2 794 897.90	5,228,461	2 115 884.97	76
Grey Wooded	4,956,046	2 005 642.43	3,585,226	1 450 890.77	72
TOTAL	49,172,514	19 899 428.00	31,475,192	12 737 569.55	64
			Area	Area Rented	Area Rented as a % of Total Area Farmed
			Acres	Hectares	
Brown			7,532,843	3 048 436.10	59
Dark Brown			2,722,644	1 101 815.91	33
Black			4,393,139	1 777 841.85	27
Dark Grey			1,677,876	679 012.93	24
Grey Wooded			1,370,820	554 751.66	28
TOTAL			17,697,322	7 161 858.45	36
SOURCE: Hu Ha	Hu Harries and Associ	Associates Ltd., The Futun	re Land Needs fo	Future Land Needs for Agriculture, page	43.

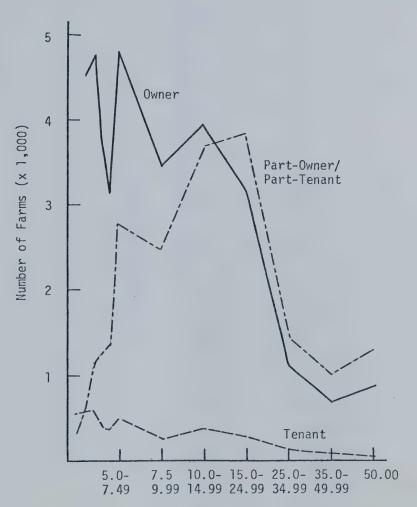


FIGURE 8

ALBERTA FARM TENURE FOR NUMBER OF FARMS

BY ECONOMIC CLASSIFICATION OF AGRICULTURAL

PRODUCTS SOLD, 1971



Value of Agricultural Products Sold (x \$1,000)

SOURCE: Statistics Canada, Alberta Agriculture, 1971.



Table 7 ...
ALBERTA FARM TENURE TYPE FOR NUMBER OF FARMS
BY ECONOMIC CLASSIFICATION OF AGRICULTURAL.

PRODUCTS SOLD, 1971

Item Unit Census-Tarms \$ 50- \$ 250- \$1,200- \$2,500- \$1,500- \$1,500- \$15,000- \$15,000- \$15,000- \$15,000- \$15,000- \$10,000								Va	lue of Agri	icultural Pr	oducts Sold						Tuesday
18 No. 62,702 3,823 5,674 6,494 5,477 4,821 8,079 6,167 8,007 7,292 2,657 1,797 2,236  No. 37,193 2,976 4,493 4,742 3,802 3,092 4,812 3,443 3,944 3,161 1,101 698 864  No. 4,225 552 587 599 400 361 492 257 369 283 103 68 57  No. 21,284 295 594 1,153 1,275 1,368 2,775 2,467 3,694 3,848 1,453 1,031 1,315	No: Ite		Unit	Total Census-Farms	*	\$ 250-	\$1,200-	\$2,500-	\$3,750- 4,999	\$5,000-	\$7,500- 9,999		\$15,000-	\$25,000-	\$35,000-	\$50°000+	tional Farms, etc.
Classified by e of Operator:  No. 37,193 2,976 4,493 4,742 3,802 3,092 4,812 3,443 3,944 3,161 1,101 698 864  t  No. 4,225 552 587 599 400 361 492 257 369 283 103 68 57  Owner/  No. 21,284 295 594 1,153 1,275 1,368 2,775 2,467 3,694 3,848 1,453 1,031 1,315	Total Number	r of Farms	No.	62,702	3,823	5,674	6,494	5,477	4,821	8,079	6,167	8,007	7,292	2,657	1,797	2,236	178
t No. 37,193 2,976 4,493 4,742 3,802 3,092 4,812 3,443 3,944 3,161 1,101 698 864  t No. 4,225 552 587 599 400 361 492 257 369 283 103 68 57  Oberer/ No. 21,284 295 594 1,153 1,275 1,368 2,775 2,467 3,694 3,848 1,453 1,031 1,315	Farms Classi Tenure of Op	ified by perator:															
No. 4,225 552 587 599 400 361 492 257 369 283 103 68 57	Owner		No.	37,193	2,976	4,493	4,742	3,802	3,092	4,812	3,443	3,944	3,161	1,101	869	864	99
No. 21,284 295 594 1,153 1,275 1,368 2,775 2,467 3,694 3,848 1,453 1,031 1,315	Tenant		No.	4,225	252	587	599	400	361	492	257	369	283	103	68	57	97
	Part-Owner/ Part-Tenant		No.	21,284	295	594	1,153	1,275	1,368	2,775	2,467	3,694	3,848	1,453	1,031	1,315	16

SOURCE: Statistics Canada: Alberta Agriculture, 1971.



average land value after a manager tenure group. Land values have definitely played a large part in the switch from full-owner to part-owner/part-tenant. 12

For the first time in 1971, the Census of Agriculture included questions on farm business organization. An analysis of types of farm organization by tenure type indicates that:

- approximately 60 percent of those holding land as private individuals are full-owners,
- while of those holding land in a partnership, 47.58 percent are full owners. (See Table 8.)

Of the farmers involved in partnerships or family corporations, approximately half are owner-operated and half part-owner/part-tenant. These two types of business organizations have shown a dramatic increase in average production per farm compared with that of the private individual, due perhaps to the combined increase in resources and the decrease in risk-taking through shared decision-making. 14

In considering the number of farm mortgages, it is interesting to note that the highest number of mortgages occur in the 560-1,119 acreage (227-452 hectares) group where most of the farms are operated by part-owner/part-tenants. (See Figure 9, Table 9.) The largest number of farms fall into the 70-239 and 240-399 acreage groups (28-97 hectares and 97- 162 hectares respectively). The lower number of mortgages in the 70-239 (28-97 hectares) acreage group could indicate the number of farms which are passed from father to son, or the difficulty in obtaining a mortgage on an uneconomic land unit due to the

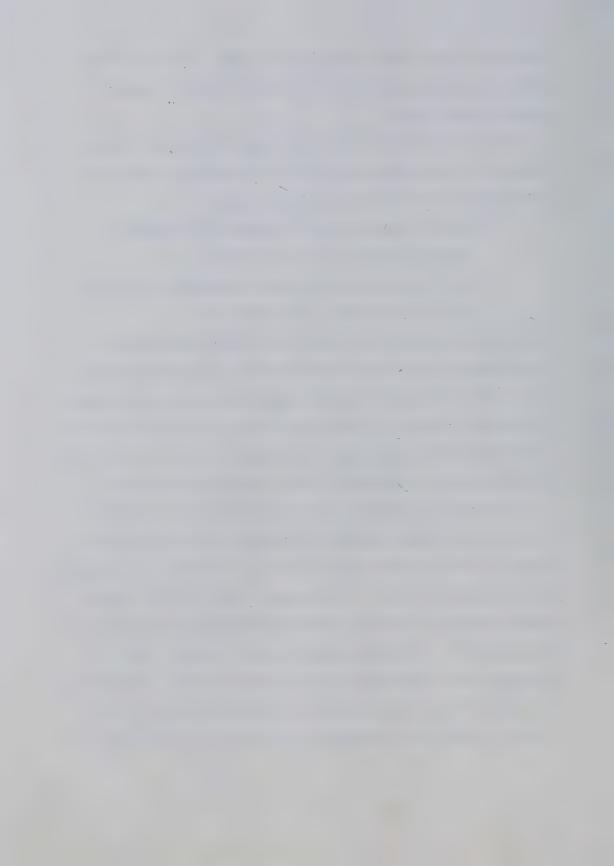


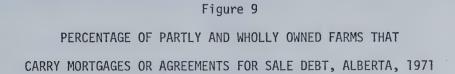
Table 8

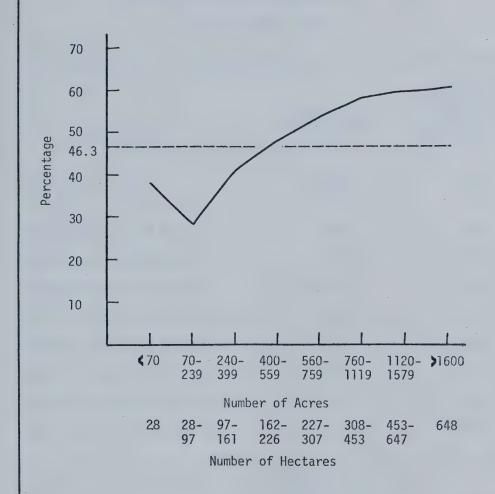
FARM ORGANIZATION AND TENURE IN ALBERTA, 1971

T 400		Number of Farms Operated By				% of
Organization	Owner	Tenant	Part-Owner/ Part-Tenant	Total Ar (acres)	Total Area of Farm (acres)	Farm
Private Individual Partnership	34,288 2,109	3,644	18,665	38,701.272	15 661 862.96	78.1
Institution or Community Pasture	65	97	16	2,123,013	859 153.64	4°. 4°.
Incorporated Business Rv Familv						
Members By Others Other Types	618	1 22 G	525 50	2,456,111 702,804	993 953.74 284 414.94	2.0
Total Area of Farm (acres) (hectares)	17,719,463	3,762,609 (1 522 675,19)	28,024,215 (11 341 007,47)	49,506,287	20 034 501.26	100.0
Percent of Farm Area	35.7	7.6	56.6			100.0

SOURCE: Statistics Canada: Alberta Agriculture, 1971.







SOURCE: Statistics Canada, Alberta Agriculture, 1971.

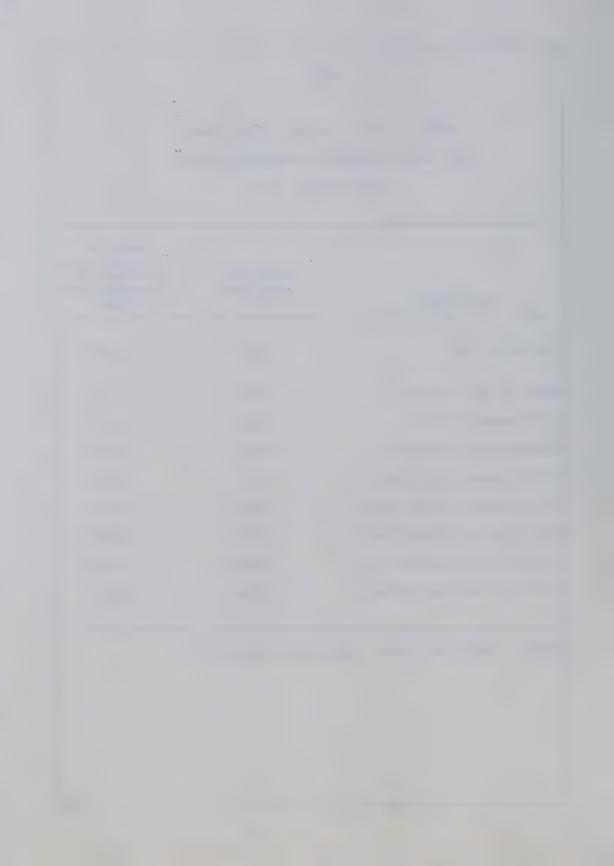


Table 9

## NUMBER OF PARTLY AND WHOLLY OWNED FARMS THAT CARRY MORTGAGES OR AGREEMENTS FOR SALE DEBT, ALBERTA, 1971

Size Groups	Number of Owned Census Farms	Number of Farms Reporting Mortgages or Agreement for Sale Debts
Provincial Total	58,477	27,066
Under 70 acres (28 ha.)	2,915	1,121
70-239 acres (28-97 ha.)	9,650	2,732
240-399 acres (97-161 ha.)	10,879	4,434
400-559 acres (162-226 ha.)	8,635	4,129
560-759 acres (227-307 ha.)	7,781	4,164
760-1119 acres (308-453 ha.)	8,091	4,708
1120-1579 acres (453-647 ha.)	4,558	2,754
1600 acres and over (648 ha.)	5,036	3,024

SOURCE: Statistics Canada: Alberta Agriculture, 1971



greater uncertainty attached to small farm managerial expertise. In that respect, it is interesting to note that the 1971 Census reported that 65 percent of the mortgages and/or agreements for sale are held by government agencies, who publicly encourage family farms.

## Socio-Economic Considerations

Observing the general tendencies of ownership and residency, it can be seen that the percent of farms fully-owned has decreased and thus, that the percent of non-resident farms in the province is increasing. Most of these trends can be explained by the decrease in the actual number of farms. As is to be expected with the rise in percent of partly owned farms, there is a corresponding percentage increase in debt. (See Table 10.) Szabo noted that non-residence farms tend to be smaller and that these farms are usually in specialty crops. 15

Few socio-economic statistics based on tenancy categories are available. The Census reports only on age and part-time work. The age distribution of farm operators mirrors the decrease in farm numbers. The largest number of farm operators is in the 45-54 age category, the largest ownership group. <sup>16</sup> Tenants and part-owners/part-tenants as groups are younger than owners. (See Figure 10, Table 11.)

Of the average total weeks of labour-on-farm reporting, the part-owner/part-tenant had the most, followed by full-owners and tenants. The part-owner/part-tenant reported more male labour while the full-owner reported more female labour (which is likely to be female family labour). The part-owner/part-tenant required more paid



Table 10

TREND OF FARM OWNERSHIP IN ALBERTA, 1931-1971

Year	1931	1941	1951	1961	1971
Total number of farms	97,408	99,732	84,315	73,212	62,702
Percent of farms					
a) fully owned	73.0	63.0	63.0	59.5	59.5
b) partly owned	14.9	20.0	25.0	31.0	34.0
Percent of farms reported mortgage and/or agreement for sale	35.9	38.3	25.3	31.1	43.1
Number of Non-resident farms 1/	9,298	9,484	8,311	7,396	7,617
Percent of Non-resident farms in the Province	9.5	9.5	9.9	10.1	12.1

SOURCE: Statistics Canada: Alberta Agriculture, 1971.

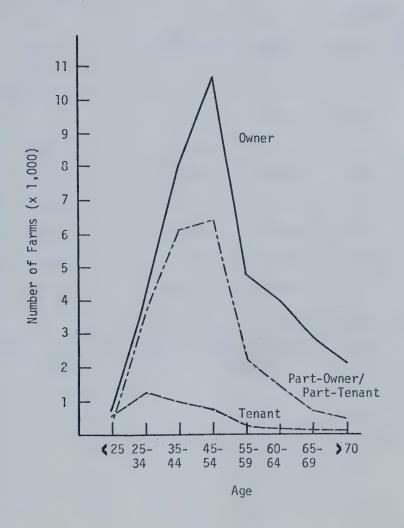
Non-resident means anyone who operates a farm and does not live on the property.



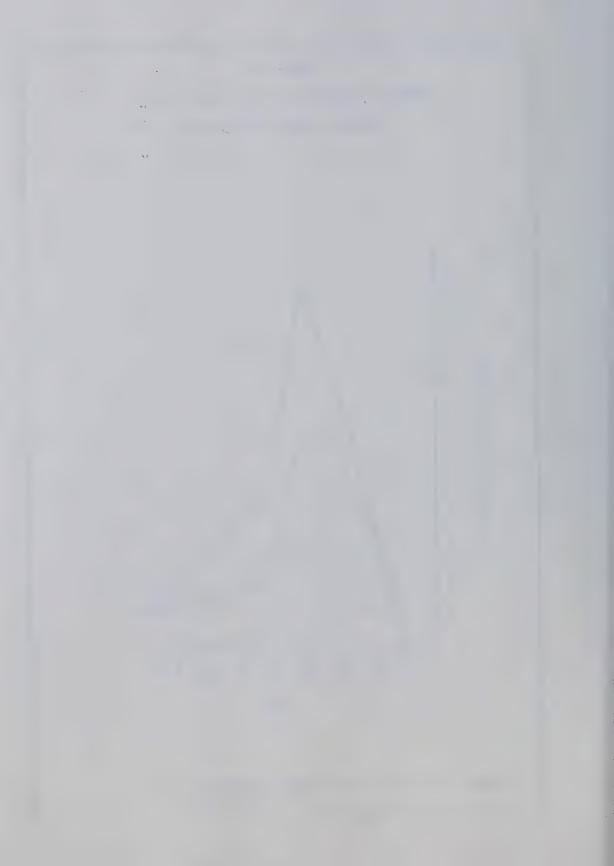
FIGURE 10

NUMBER OF ALBERTA FARMS BY OPERATOR'S AGE

AND FARM TENANCY TYPE, 1971



SOURCE: Statistics Canada, Alberta Agriculture, 1971.



NUMBER OF ALBERTA FARMS BY OPERATOR'S AGE

AND FARM TENANCY TYPE, 1971

Table 11

			Tena	ncy Type
Age	Total Census Farms	Owner	Tenant	Part-Owner/ Part-Tenant
Under 25 years	1,591	541	649	401
25 - 34 years	8,915	4,109	1,260	3,546
35 - 44 years	15,088	8,010	967	6,111
45 - 54 years	17,930	10,708	<b>7</b> 95	6,427
55 - 59 years	7,225	4,782	214	2,229
60 - 64 years	5,684	4,042	178	1,464
65 - 69 years	3,638	2,882	89	667
70 years and over	2,631	2,119	73	439

SOURCE: Statistics Canada: Alberta Agriculture, 1971.



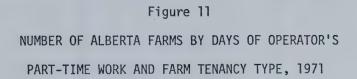
year-round workers as well as less average number of days of off-farm work than the other two categories.  $^{17}$ 

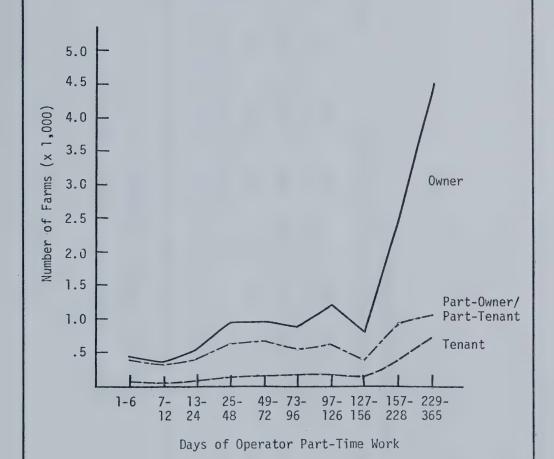
The patterns of off-farm work for all classes of tenure are similar with peaks in distribution at approximately 1-2 months, 4 months and 5-7 months of off-farm work (See Figure 11, Table 12). It is interesting to note that the majority of full-owners and part-owner/part-tenant take off-farm work driving buses/trucks or operating road maintenance equipment, while tenant farmers tend toward logging and agricultural work. 18

## Summary Studies

There have been numerous qualitative studies done in the American and Canadian prairie area. As previously noted, most have not attempted any quantitative, problem-solving analyses. However, the following three studies have done so. Boxley was content to establish a significant correlation between tenure, occupation, and type of ownership to the size of the ownership units. Harman et al in an attempt to rank economic goals found that acres of cropland as well as age, education level, farming experience, number of dependents, level of assets, off-farm income and net worth explained 40 to 50 percent of the variation in goals, but were of limited predictive ability. Unlarge the variation of the variation in goals, but were of limited predictive ability. Kulshreshtha and McGlaughlin tried to evaluate factors which determine financial performance over the long term. They found a positive relation with respect to beginning farm asset levels, an index of opportunity to accumulate, average value of livestock,







SOURCE: Canada, Alberta Agriculture, 1971.



Table 12	NUMBER OF ALBERTA FARMS BY DAYS OF OPERATOR'S PART-TIME WORK AND FARM TENANCY TYPE, 1971		1-6 7-12 13-24 25-48 49-72	453 359 529 952 954 881 1,205 832 2,460 4,415	39 48 87 143 155 160 195 134 363 737	ar/ ant 397 323 412 640 678 541 649 370 958 1,060	Statistics Canada: Alberta Agriculture, 1971
		סמיז סייוויס ד		Owner	Tenant	Part-Owner/ Part-Tenant	SOURCE: Statistics



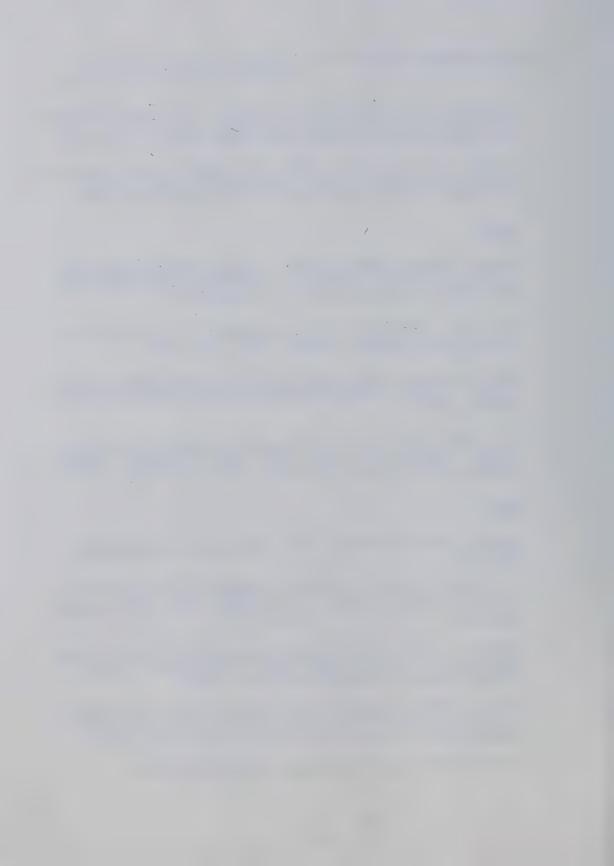
average cultivated area of the farm, proportion of off-farm income and the proportion of the area owned. <sup>21</sup> These results will be used in the hypothesis formulation.



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- R. J. Miller and G. R. White, <u>Rural Real Estate Values in Alberta.</u> January - December, 1971, 1972, 1973, 1974. (Edmonton: Resource Economics Branch, Alberta Agriculture, 1972, 1973, 1974, 1975.)
- 7 Ibid.
- Jacob A. Brown and Robert J. Bens, <u>Farm Tenure in Saskatchewan</u>, page 103.
  - R. A. Stutt, "Changes in Land Use and Organization in the Prairie Area of Saskatchewan during the Period 1951-1966", Canadian Farm Economist, 5 (February, 1971) pages 11-19.
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- Hu Harries & Associates Ltd., The Future Land Needs for Agriculture, pages 43-44.
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- Diana M. Boylen, The Structure of Alberta Farms, 1941-1974. (Edmonton: Alberta Land Use Forum, Technical Report #11, 1974), page 32.
- 14 Ibid.
- M. L. Szabo, "Characteristics of Non-Resident Farm Operations on the Canadian Prairies", <u>Geographical Bulletin</u>, 8 (1966), pages 279-303.
- Diana M. Boylen, The Structure of Alberta Farms, 1941-1974. page 11.
- Diana M. Boylen, <u>Rural Land Tenure</u>. (Edmonton: Alberta Land Use Forum, Technical Report #6B, 1974), page 24.
- 18 <u>Ibid.</u>, page 25.
- Robert F. Boxley, Owner Characteristics and Distribution of Landownership in the Eastern Great Plains.
- Wyatte L. Harman, Roy E. Hatch, Vernon R. Eidman, An Evaluation of Factors Affecting the Hierarchy of Multiple Goals.

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#### CHAPTER IV

## PROPERTY RIGHTS AND THEIR RELATION TO BEHAVIOUR AND ATTITUDE THEORY

### Introduction

With regard to property ownership, rights govern behavior. However, Dales has suggested that different rights systems create different incentives, lead to different behavior, display different characteristics and produce different social outcomes. Because the concept of land ownership operates generally within exclusive and transferable rights (price) systems, the method of studying behavior with respect to ownership, to-date, has been to try to define the transaction costs of the system. These include "time and trouble costs" borne directly by individuals using a rights system as well as the "system" costs of creating and enforcing it. 2 As discussed earlier in Chapter II, this has led to very rigid assumptions of the decisionmaking behavior of the individual. In addition, it has been found that the use of a market price system to reveal or regulate an individual's behavior is inadequate, both in terms of economic activity (as witness, explanatory need for externalities), and of social values and customs.3

With regard to the concept of land ownership by government (society), such as land banks or Alberta's Crown lands, rights are non-exclusive and non-transferable (common property). No economic theory of this non-market behaviour has yet been developed.



Dales has commented that the search for good government is the search for some optimum mix of rights systems. What type of right leads to what range of behaviour by the individual or by society? But the concept of land tenure includes not only these political and economic rights but also social responsibilities and privileges. Therefore, it is necessary to have, in addition, some measureable aggregated behavioural variable - attitude. The following sections will discuss the concept of attitude, the relationships between attitude and behaviour, geographical use of attitude theory and the types of attitude measurement which will be used in this thesis.

### The Concept of Attitude

Allport, in 1935, proposed the following definition of attitude:

An attitude is a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon an individual's response to all objects and situations with which it is related.

This definition, as noted by Udell, sees

attitudes as mental sets which direct an individual's response to a stimulus .... (and) are a psychic summation of knowledge, emotions, motivations, and intentions.

These definitions imply that attitude is a culmination of other behavioural factors and that it has some linkage with the subject's actual response toward an object, and indeed, that it is a precondition of any behaviour with respect to that object. Furthermore, most psychologists agree that attitudes are developed from direct experience with an object or from the integration of several specific responses of a similar type.<sup>8</sup>

It is also important to distinguish attitude from belief as a belief may suggest an attitude; however, an attitude is formed from many beliefs and perceptions. Another term, opinion, while commonly used for both belief and attitude, has been explained as a verbal expression of a disposition or tendency to act in a certain manner and thus, if used by academic study at all, is agreed to be synonymous with attitude. 10

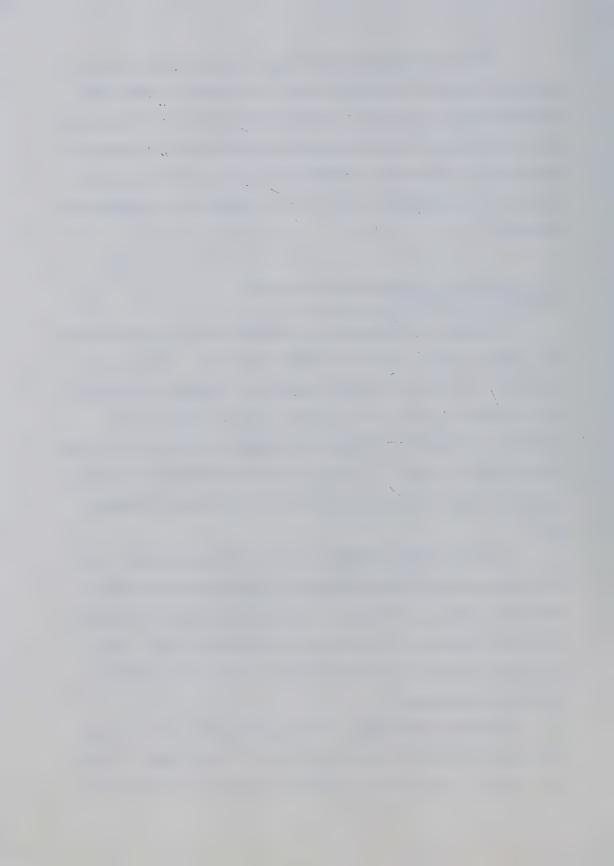
## The Measurement of Attitude and its Relation to Behaviour Prediction

Attitude, as a hypothetical construct that will describe potential human behavior, has two measureable properties - direction and intensity. Direction is defined as positive or negative, depending on the inclination toward or away from the specified object or goal.

Intensity or strength is defined as the degree or probability of attaining the object or goal. This has led to the development of numerous types of scales: census of attitudes, social distance, psychophysical. 12

The most common criticisms of scale development centre around the limiting nature of scale development techniques in describing an individual's mental structure and, because scale analysis is dependent on central tendencies and dispersions of attitudes through a large population, the need for a large population with common attitudes toward the same object. 13

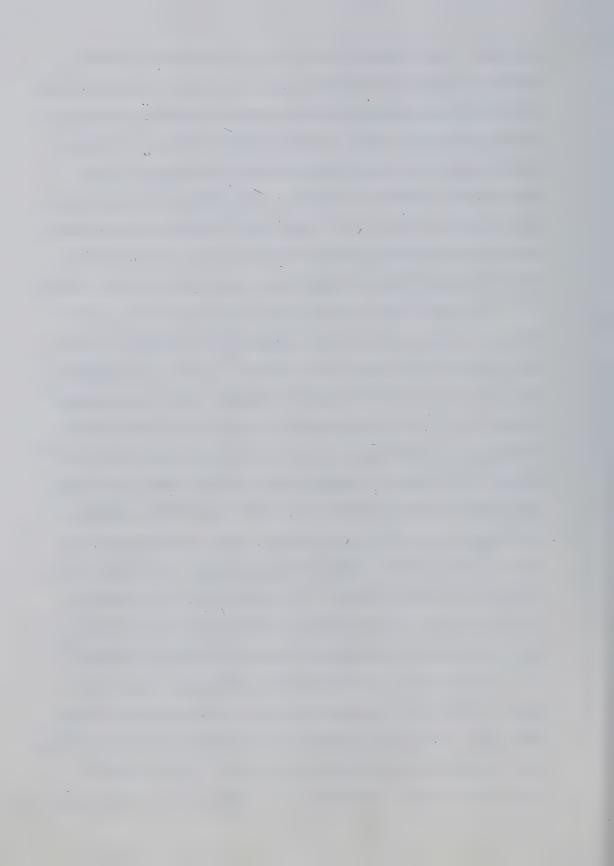
Since many definitions of attitude imply that there is a predisposition to behave in a particular manner, a large number of studies have tried to establish the relationship between overt behaviour and



attitude. They established the difficulty of measuring attitude—behaviour relationships when the subject felt that a specific attitude or behaviour was expected (studies by Rogers, Stouffer); when the subject expressed public versus private attitudes (studies by LaPiere, Kutner); when the attitude being analyzed was too general or not related to the subject's life goals or expectations. He because many of these studies failed to find a significant relationship between verbal attitudes and behaviour or an explanation of the relationship which would allow prediction, the definition of attitude was further refined.

In studies, such as those by Mann, Insko and Schopler, attitude was conceptualized as having three balanced components - cognitive, affective and conative (behavioural). However, the subsequent discovery of the high inter-dependence between these three components has meant that this attitude definition is now seen to have greater validity as a classification device than as a theoretical construct. Fishbein, in a return to uni-dimensional attitude theory, has stated that attitude scales generally measure only the affective component of an attitude - that part which is derived from a consideration of beliefs and the evaluative aspect of those beliefs. Therefore, in order to explain or predict behaviour, it is necessary to also study the interrelationships between attitudes, and the determinants of behaviour such as beliefs, behavioural intentions, as well as behaviour.

Another aspect of the relationship between attitude and behaviour is that of the relationship between attitude change and behaviour change. It has been assumed by many studies that behaviour change would automatically follow an attitude change. But, when several studies (for example, Janis) found no or slightly inverse relationships

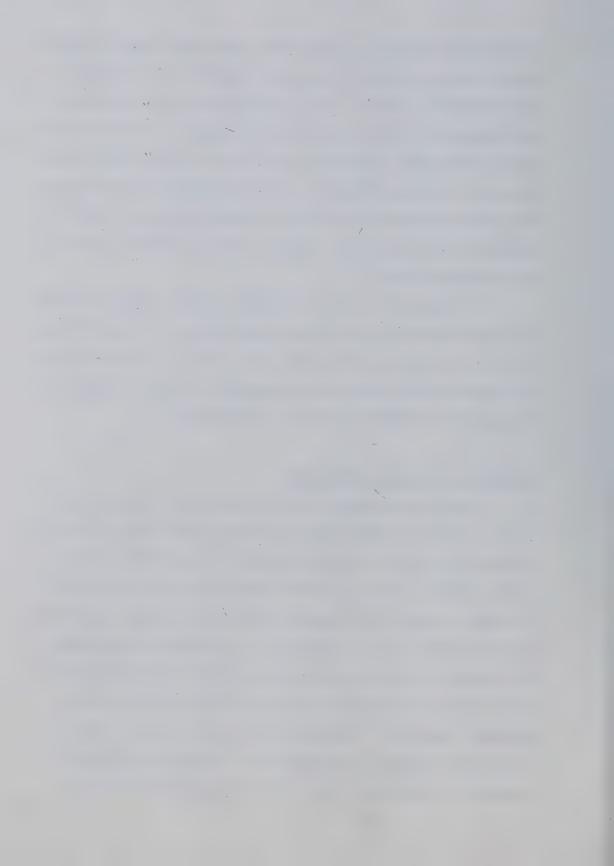


between these variables, it was further argued that supportive environmental change to the new attitude and new behaviour was required. <sup>18</sup>
In contradiction, however, it has also been argued using cognitive consistency theory that attitudes will be changed by the individual to bring a behavioural relationship into balance and thus, reduce dissonance. For instance, Festinger's theory of cognitive dissonance argued that people change public attitudes to reduce dissonance perhaps in response to social pressures, whether or not the attitude change has been accepted privately. <sup>19</sup>

In summary, while the relationships between attitude and behaviour, attitude change and behaviour change have yet to be defined explicitly, the use of attitude theory does allow us to include another variable with other social and socio-economic variables in understanding the decision-making processes of the individual.<sup>20</sup>

### Geographical Use of Attitude Theory

Behavioural geography is divided between two research view-points: one which relates spatial structure as the logical outcome of behavioural actions and the second which tries to define a set of valid statements concerning spatial behaviours in their own right. 21 The latter process-oriented approach argues that in order to understand and thus predict, spatial structures, it is necessary to know about the attitudes, decisions and behaviours which influence the arrangement of phenomena rather than just the positional relations of the phenomena themselves. 22 In addition, this new view argues that an individual's decision to participate will have three interdependent components - psychological (as in the attitude-behaviour complex),



economic (includes variables such as age, income) and geographic (location and orientation in physical space). <sup>23</sup> All three components are necessary in order to explain or predict overt behaviour.

Studies of locational decision-making (or choice behaviour under conditions of risk and uncertainty) in agriculture or industry, such as those by Wolpert, Pred, and Gould, have illustrated the complexity of interlocking motives in decision-making behaviour. The reasons they have identified for non-optimal economic behaviour have included personal mathematical inabilities to compute economic utility maximization; existence of aspiration levels; values which have no economic utility; effect of habit on choice behaviour; influence of role playing and social pressures; effects of social and cultural institutions on choice behaviour; varying degrees of information possessed; and the time frame in which the decision has been made. 25

However, it was work by Simon, Isard and Dacey, that first identified, for geographers, the value of attitude as a very basic variable in understanding and explaining behaviour. <sup>26</sup> Since then, a few papers have included attitude as an explanatory variable in: environmental policy decisions and resource management (Lowenthal; White; Mitchell); recreation choice patterns (Peterson and Neumann); and consumer shopping behaviour (Murphy; Brown and Fairbairn). <sup>27</sup> But, it would appear that problems with the types of attitudes to be measured, their relationships to overt behaviour, and the methodologies of attitude scale development have discouraged geographers from taking advantage of this explanatory variable. <sup>28</sup>



## Attitude Measurement Scales: Theory and Methodology

The self-reporting measurement techniques of attitude measurement assume "that there will be differences in the belief and opinion reports of the subjects with favourable attitudes toward some psychological object compared to those with unfavourable attitudes". These measurement techniques do not make a direct interpretation of overt behaviour; but instead, assess a subject's attitude score indirectly by examining beliefs and opinions using written tests. Some examples of this type of test are the Thurstone equal appearing interval scale, the Likert summated ratings scale, scalogram analysis developed by Guttman, the semantic differential test developed by Osgood. 30

If one or more of these self-reporting measurement scales were combined with the use of overt behaviour measurements, greater validity could be obtained in spatial behaviour hypotheses of explanation and prediction. Two types of uni-dimensional attitude measures, suggested by Murphy and Golledge, are the semantic differential and the equal appearing intervals scale. 31 Due to other considerations, which follow, the attitude measurement scales which were used in this thesis were the summated ratings scale and the semantic differential.

### i) Likert Scale of Summated Ratings

The attitude scale developed by Likert uses a large number of statements of desired behaviour which can be classified half into favourable and half into unfavourable classes. These statements are given to a group of subjects who respond to each statement in terms of their agreement or disagreement on a five category scale:



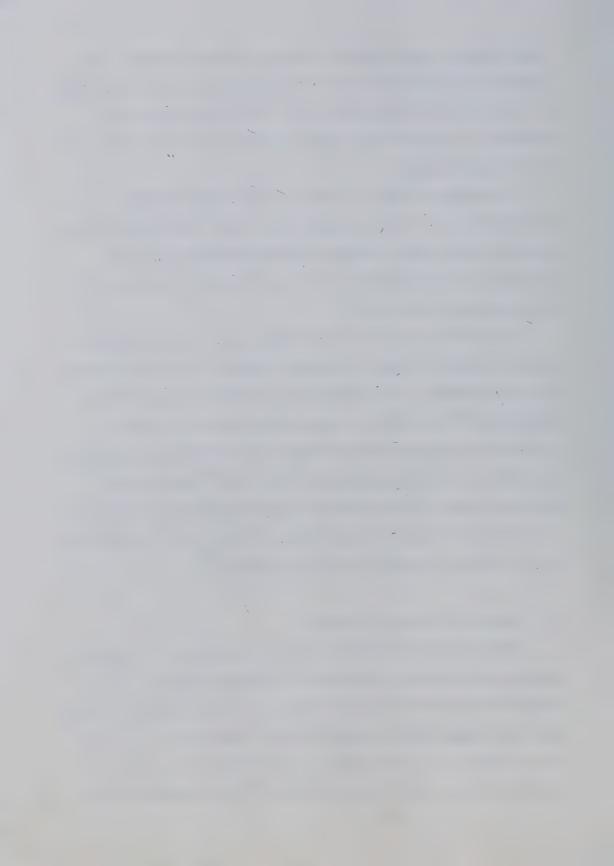
strongly agree, agree, undecided, disagree, strongly disagree. The response categories are weighed such that the most favourable attitudes will have the highest positive weight. The attitude score for an individual is the sum of the weights assigned to the category for one or all the statements.

No attempt is made to scale the item statements along an attitude dimension, as in the Thurstone scale. Each item statement may be used as a scale alone or combined together to make up the scale (unlike the Thurstone scale). The scale is designed for internal consistency and reliability. 33

The primary criticism of the Likert scale is that it does not reflect a unique attitude, as the total score may be derived in different ways; therefore, it is used only for comparative purposes between respondents. Nevertheless, in experiments designed to test the reliability of Likert versus Thurstone scales in attitude measurement, correlations of 0.83 and higher have been found. But with all attitude scales, it is important to realize that they assume that an attitude can be assessed by some counting of the number of pro-or antitem statements a subject is willing to endorse. See that they are supported in the statements as a subject is willing to endorse.

### ii) Semantic Differential Technique

This measurement technique, developed by Osgood is a method of observing and measuring the connotative meaning of concepts. It is derived from the belief that people allocate similar meanings to words (or have a common semantic space) and that a measurement of the subject's semantic space with respect to the concept will indicate the meaning of that concept to the individual. The technique assumes



that important cognitive components can be measured by rating a particular concept according to sets of bipolar adjectival scales. Each scale represents a lineal continuum between the two adjectives along which the favourable or unfavourable response is located.

Three factors define semantic space: the evaluative, potency and activity dimentions. Of these the evaluative factor accounts for approximately half to three quarters of the common variance. <sup>39</sup> It is this dimension that Osgood equates with the attitudinal variable.

The semantic differential technique has been frequently used by researchers for its ability to study public reaction to many types of stimuli and because it corresponds to the verbal way in which many people evaluate a concept. However, the main drawback of this technique is that the adjectival sets of scales must be selected in such a way that there is no problem with the respondent's familiarity with the attitude concept being measured or the relevancy and meaning of the adjectives used. A number of studies have investigated scale development methodologies to solve this problem 41



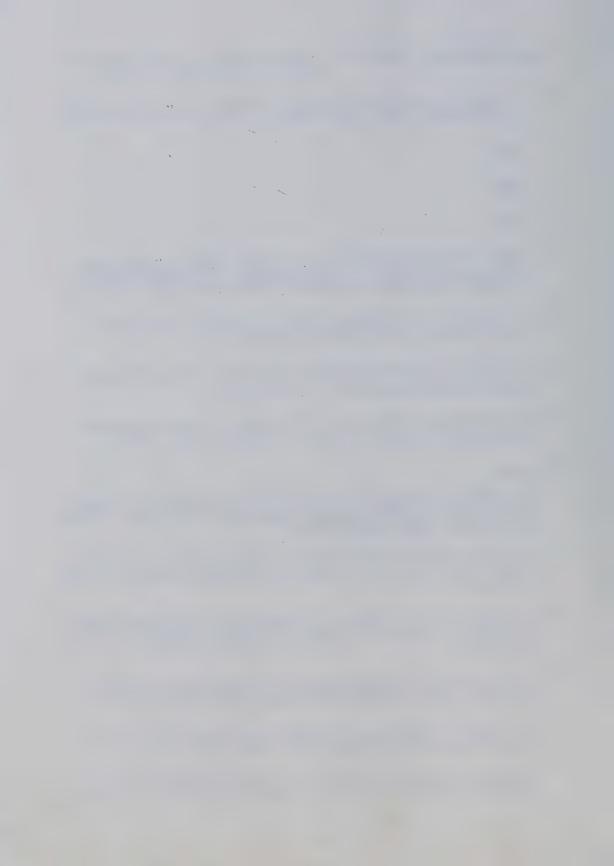
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  - M. Fishbein, "Attitudes and the prediction of behaviour" in Readings in Attitude Theory and Measurement, ed. by M. Fishbein, (New York: Wiley, 1967), pages 477-492.

The term perception is used where an actual stimulus is present, whereas beliefs can refer to events not currently present or never experienced.

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Census of attitude scales calculate the range and distribution of public attitudes; no analysis of intensity of individual attitude.

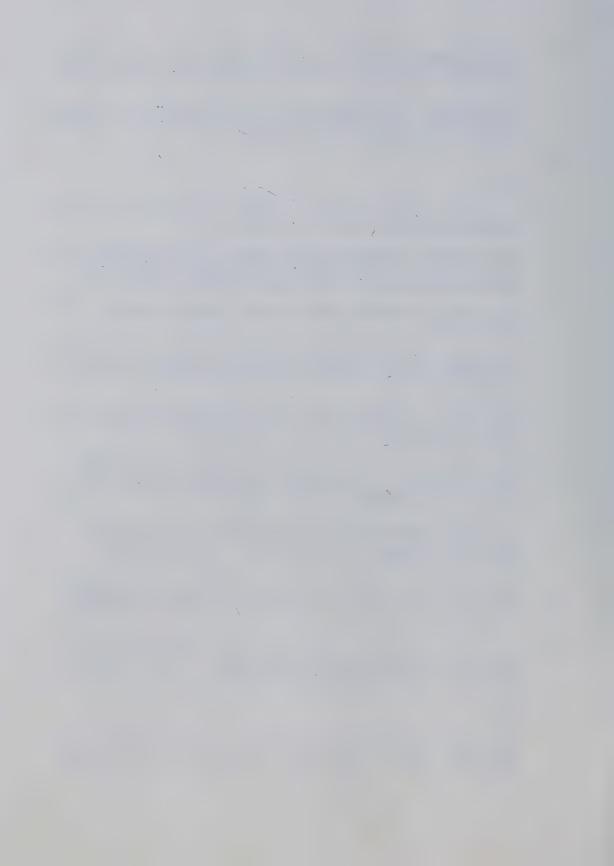


Social distance scales are an example of a priori scales which involve rank ordering of preferences by subject on a scale; assumes equal intervals on scale.

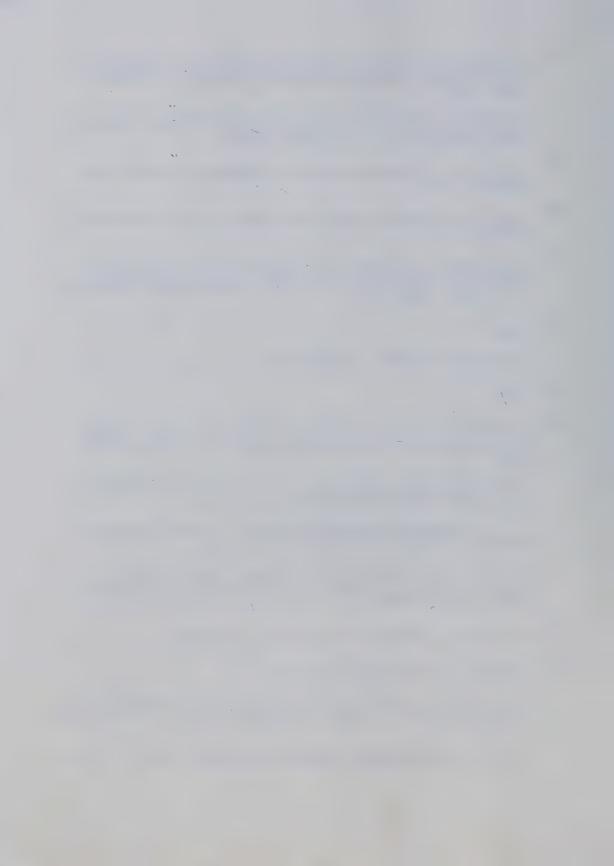
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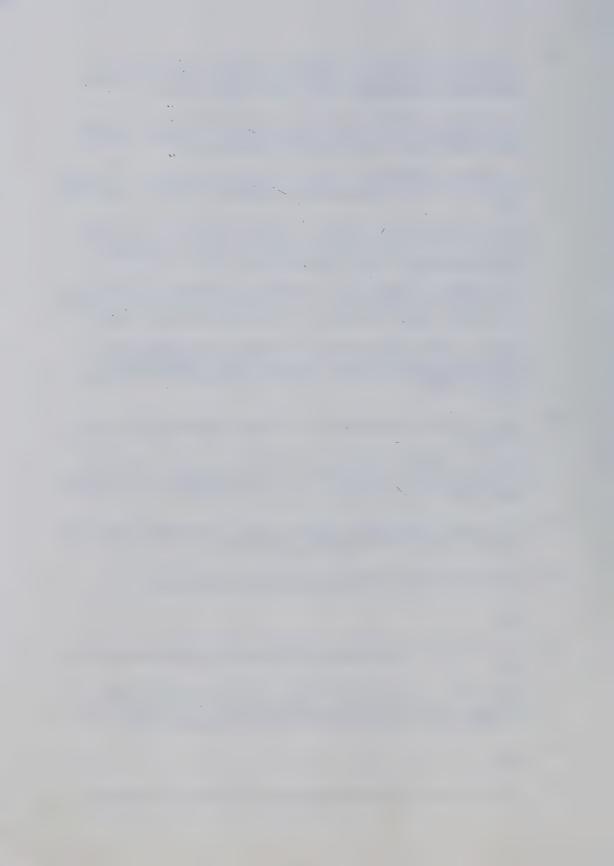
Behavioural intentions may be defined as a series of types of interactions in which a subject might engage with object or another person.



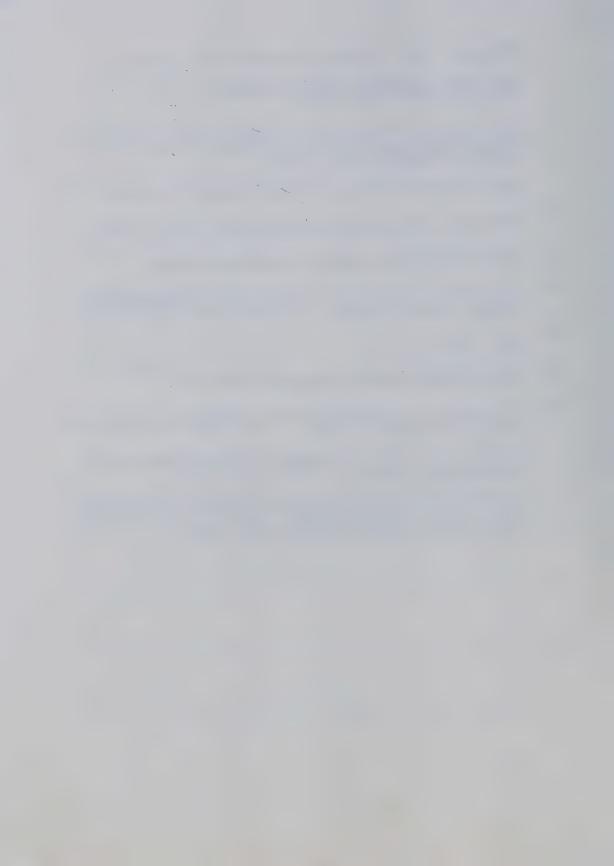
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#### CHAPTER V

#### RESEARCH PROBLEM DEFINITION AND PROCEDURES

In the preceding chapters, the existing economic, geographic, and socio-economic data as well as literature concerned with or related to farm land ownership was presented. The reviews of literature in land tenure and property rights (Chapters I and II) have indicated possible explanations for various behaviour patterns with regard to land ownership. Using currently available statistical data from Alberta (Chapter III), the characteristics and relationships of some socio-economic variables to farm land tenure were examined. However, these data were not sufficiently detailed for testing hypotheses explaining the effects of specific socio-economic variables on land tenure characteristics or for investigation of farmers' attitudes toward land ownership in Alberta.

Therefore, the problem was divided into three major areas of research:

- to determine the characteristics and relationships of specific socio-economic variables with regard to farm land tenure in Alberta by a) further analysis of census data and b) development and analysis of a questionnaire data bank;
- to examine and compare these findings with those characteristics and/or relationships hypothesized or proven in other areas of North America;



 to investigate the attitudes of Alberta farmers towards present farm land tenure attributes.

General Characteristics and Relationships; Hypotheses with Respect to Farm Land Tenure in Alberta

Land ownership has been traditionally linked by North Americans to security of tenure and to a high standard of living. Its importance was reflected in the summary of related socio-economic variables from census statistics presented in Chapter III. In addition, while reviewing for potential hypotheses about the relationship of land ownership to specific socio-economic variables and to the development of attitudes and political institutions, the following North American characteristics of land tenure were investigated in the Alberta context:

- that full owner-operatorship of the farm is becoming a secondary goal, even though it is expressed and perceived by farmers as most important to farming efficiency and productivity;
- that acquisition is predominately by direct purchase; and that transfer of land holdings to the next generation is a basic land tenure problem;
- that part-owned/part-rented farms tend to be larger in size (both in acreage and other asset measures) than those which are owneroperated;<sup>2</sup>
- 4. that with the recent changes in production technology, there has been a shift in the farm firm organization from the private individual to partnership;
- 5. that rental arrangements are well-established by tradition, and are usually verbal, 1/3-2/3 crop-share "leases"; and that they have too short a time period for long-range planning of efficiency or



productivity improvements;<sup>3</sup>

6. that the majority of landlords renting land are widows of farmers or retired farmers; and that types of assistance from these landlords, if available, is very broad.<sup>4</sup>

Then, based on information from the literature and statistical data review, the following hypotheses were developed and examined:

- 1) that the greater the acreage of land owned,
  - a) the greater the perceived amount of land owned;
  - b) the greater the perceived value of on-farm production;
  - the lower the perceived value of land relative to that of persons renting land;
  - d) the higher the age grouping;
  - e) the lower the level of formal education.
- 2) that high scores on a Likert attitude measurement scale based on affinity to land ownership will correlate positively with:
  - a) number of acres owned;
  - b) percentage of land owned in farm investment;
  - c) age grouping of 45-54;
  - d) business organization as private individual; and negatively with:
  - a) number of acres rented;
  - b) amount of off-farm income;
- 3) that an analysis of attitude towards land ownership using the semantic differential technique can identify major dimensions of the attitude and will correlate positively with scores obtained using the Likert attitude measurement scales.<sup>5</sup>



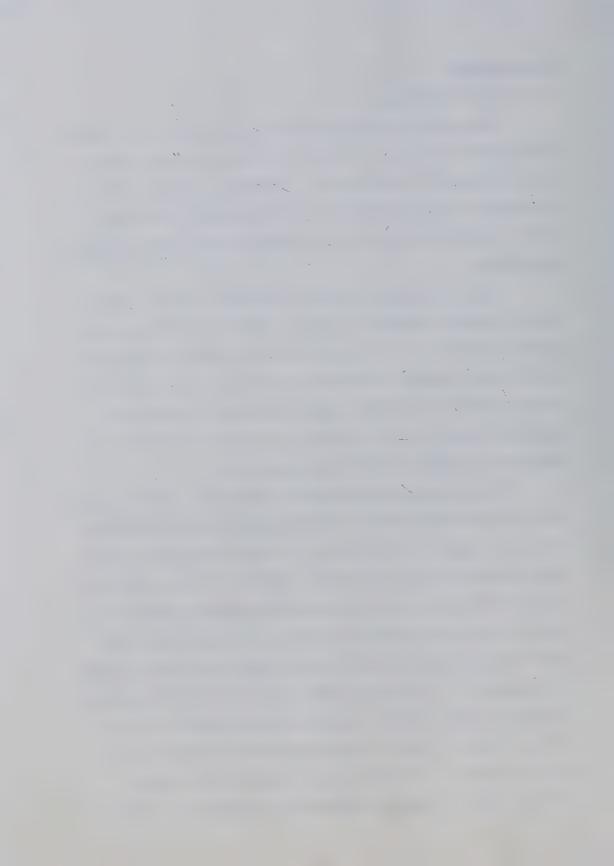
## Research Design

## i) Sampling Methodology

The province of Alberta was chosen as the region to be sampled in order that the political and legal institutions that most affect land tenure would be similar for all respondents. However, it was realized that local/municipal by-laws and regulations (for example, zoning, taxation) do affect the land market in varying ways throughout the province.

Sample size tables were used to determine that for a population of 100,000 a confidence level of 95 percent, reliability of plus or minus 5 percent, and an expected rate of occurrence of the characteristic being sampled of 50 percent or greater, a sample size of 383 would be necessary, when using simple random sampling techniques. Assuming a response rate of 10 percent to a mailed questionnaire, the sample size of 3,830 was deduced to be necessary.

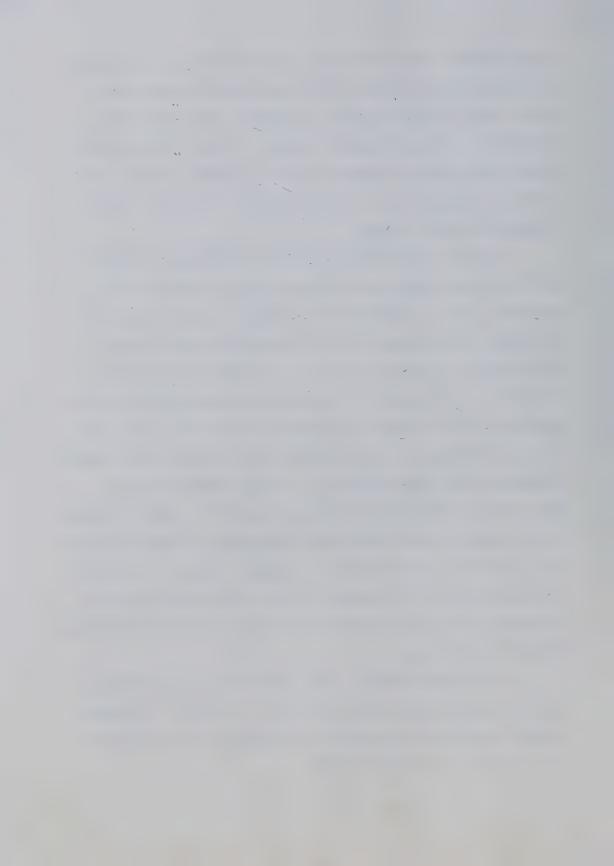
It was determined that the current (1974) farm vehicle licence plate listing for the province of Alberta would be the most accurate listing of farmers in the province, as the farm licence plate allows them to purchase gasoline and oil at a reduced rate when vehicles are used for farm business; thus, all qualifying farmers use them. The address listings were said to be accurate to that year also. The total listings numbered 117,000 of which 32,000 listings were rejected as duplicates. A five percent random sample of the 85,000 remaining listings was taken (4,250). As there were only 62,702 farmers, as defined by the 1971 census, it was hypothesized that the difference was attributable to 1) several vehicles registered under several different names per farm, 2) vehicles making improper use of farm



classification, 3) more farm vehicle users in 1974 than in 1971, due to increase in small acreage holders, and 4) miscellaneous reasons, such as owner now out of province or deceased. The latter reason accounted for 123 questionnaires returned. In total, 788 questionnaires were returned, a response rate of 19 percent. However, 98 of these were rejected due to incomplete answers, so that the effective response rate was 17 percent.

Because a large percentage (93%) of farm owners and farm part-owners/part-tenants are included in the total number of farm operators, and as all questionnaires returned indicated ownership, chi-square ( $\chi^2$ ) goodness of fit tests were conducted on a Census Division basis to test the similarity of frequencies of other key variables: 1) the number of farms, 2) the age grouping 45-54 of farm operators and 3) individual operatorship to that of the total population. (See Table 13.) As is indicated, the age grouping 45-54 sample frequencies show a good sample fit. A large  $\chi^2$  value indicates a poor fit of the data and it can be seen from Table 13, that the sample of farm numbers is based toward farm respondents from Census Divisions 4, 5, 10 and 13. (For reference, see Appendix 3, Map 3.) This could be due to a decline in the number of farms in these areas from the census year 1971 to 1974, which has increased the interest of remaining farmers to land issues.

The variable Individual Type of Operation, has an indicated bias to respondents from Census Divisions 2, 4, 5 and 10. No apparent reason is available for the sample discrepancies in Census Divisions 4, 5 and 10 for both these variables.



Total   Observed   Expected   Total   Observed   Obser	Number of Farms  Observed Expected Frequency  26 21 1.19 604 8 53 43 2.33 1,118 15 55 42 1.13 537 10 56 39 11.31 1,084 16 59 46 3.67 1,155 15 59 46 1.76 1,271 22 51 38 4.44 1,068 7 55 38 4.44 1,068 7 56 6.78 1,673 14 57 44 65 6.78 1,673 14 58 690 2,259 2,259 59 2,259 2,259 59 2,259 2,259 59 2,259 2,259 59 2,334 18,162 206 50 82 5.90 2,259 51 38 4.44 1,068 7 51 10 .40 262 4 51 10 .40 262 206 51 10 .40 262 206 51 10 .40 262 206 51 10 .40 262 23 51 10 .40 262 206 51 10 .40 262 206 51 11.09 2,259 23 51 11.09 2,259 2,239 23 51 11.09 2,259 2,239				
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## ii) Questionnaire Design

Because of the recent wide-spread interest in land use and ownership in Alberta, it was decided that a large mail questionnaire survey would not only give a more representative data bank of socioeconomic and attitudinal variables than a small personal interview survey, but also would have a fairly high rate of return that would tend to eliminate non-respondent bias. Both a pre-test and the actual questionnaire were developed with format, colour, mailing time of year suggestions that survey researchers have found effective. Both questionnaires featured an introductory letter, stamped return envelope and were followed with two reminder cards. (See Appendix 3 for Introductory Letter, Questionnaire and Reminder Card.)

The questionnaire was divided into five sections. Three sections were to be answered by all respondents: Section A was the Likert attitude measurement scale; Section B was the semantic differential scale; and Section E was a general section for recommendations and comments. Section C was answered by all respondents who owned land in 1973-1974, while Section D was answered by all respondents who rented land during that time period. The questionnaire was pre-tested on colleagues in the Department of Geography, Alberta Department of Agriculture and Alberta Land Use Forum. Then, a sample of fifty farmers, had copies of the questionnaire mailed to them. They were later interviewed by telephone for comment on format, clarity of questions and any other concerns arising from the questionnaire. The major change recommended was a switch from an introductory explanation of the semantic differential scale to the brief instruction used as most farmers considered it unnecessary and "too time consuming to

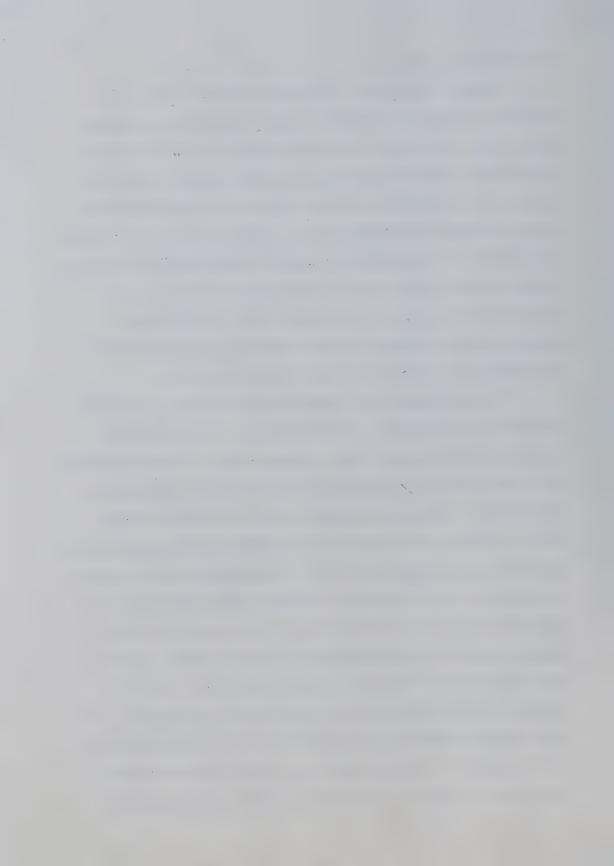


figure out". Unfortunately, it was later discovered that such a change did not increase understanding of the type of response requested - only 328 (48%) of the responses were useable.

# Research Design and Analyses

The returned questionnaires were coded for computer processing.

A summary of the answers received is included in Appendix 3, and will be discussed in the following analyses.

#### i) Section A: Likert Attitude Measurement Scale

The Likert attitude scale was developed according to the methodology of Edwards and Likert.  $^9$  Twenty attitude statements, half favourable to the concept of land ownership and half not favourable, were developed by using the land tenure literature, popular farm magazines such as <u>Country Guide</u>, <u>The Canadian Cattleman</u>, and radio phone-in shows monitored over a six month period. The resulting scale is shown in Figure 12 and the corrected numerical values are shown in Appendix 3. Attitude statements which were considered favourable were numbered 1, 2, 5, 7, 10, 13, 15, 18, 19, 20. Using the 22 returned pre-test questionnaires, the scale was checked for split-half reliability or the criterion of internal consistency, and a positive correlation expressed by  $\operatorname{rho}(\rho)$  of 0.74 was obtained, at the level of significance .005. Therefore, each attitude statement item as well as the total scale can be used as an attitude measurement. In

The scores for attitude statements reflecting issues concerning the freedom of ownership (2, 5, 9, 10, 11, 13), leasing (3, 6, 12,

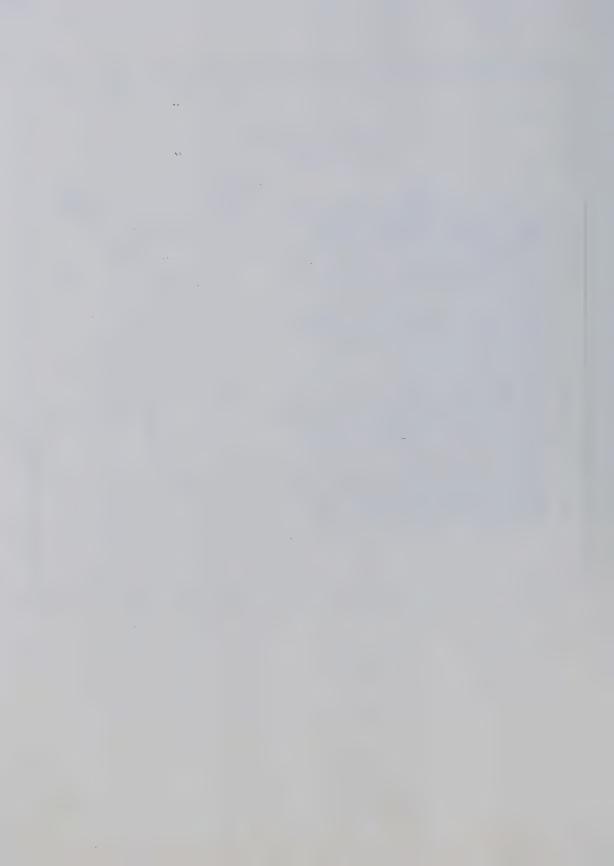


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#### Likert Attitude Statement Scale:

Land Ownership

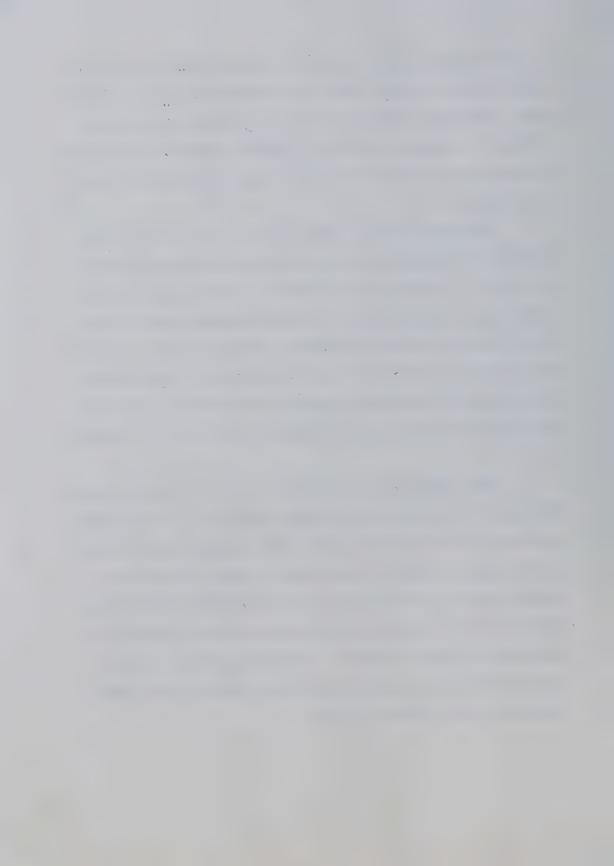
	Statement	Strongly Agree				Strongly Disagree
	The owner has a right to make a profit from his land Land ownership gives the freedom to farm the land					
3.	without interference from government regulation People rent land only when they lack the cash or					
	credit to buy landLand banks facilitate agricultural planning and help				<i>&gt;</i> _	
	Control urban development		_			
	Renting land can free capital for other investments Farmers who own their own land farm it more efficiently	******		_		-
	Absentee owners do not look after their land as well Higher land taxes would pressure owners to make		_	=		
	fuller and better use of their agricultural land Owning land means less money spent on land in the				>_	
	land is a community resource		_			
	If farms continue to become larger, more leasing will have to occur		_			
	Land ownership means certainty of having land to farm Land banks limit rising land costs				>	
	The private marketplace is the only fair and efficient mechanism for fairly distributing land resources	_		T		
•	Public land ownership would reduce local revenues because publicly owned land would be removed from the tax roles.			+	-	
	Different renting arrangements can lead to sharing			<i>/</i> _		
	of risk and uncertainty		_	_		
	land development of creative leadership and innovation  Inadequate leasing markets and agreements fail to				7	
	put agricultural land into good use	-			+	

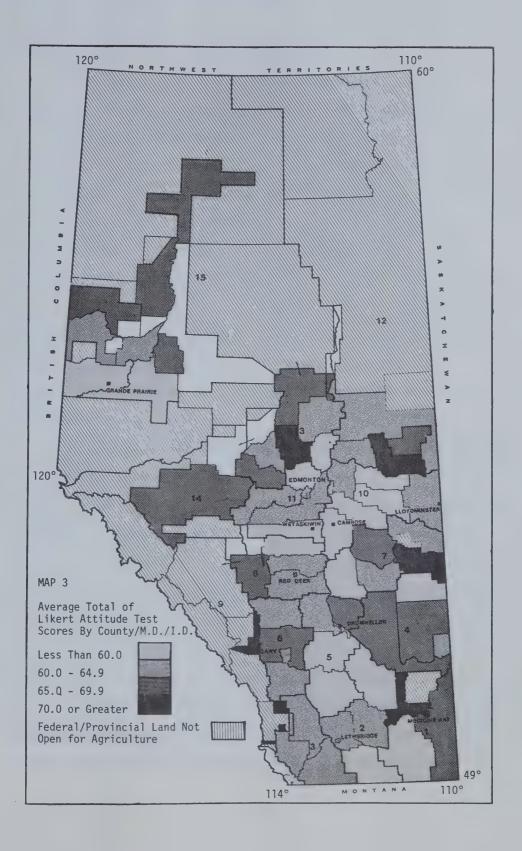


17, 19), and efficiency (7, 8) aspects were predictable from the preceding literature review. Most surprising were the scores for statement 1, which would indicate a socialistic philosophy; this is also reflected in statements 18 and 20. Attitude statements which included planning mechanisms such as land banks or tax structures were scored as undecided.

The average total of Likert attitude scores for each County, Municipal and Improvement Districts and Special Areas were mapped. (See Map 3.) The higher score indicates a more favourable attitude to the land ownership concept. Municipalities where scores are less than 60.0 might be partially explained as those that have: 1) government ownership of large land tracts (County 2, 4, 5), that is where acreage ownership can not be increased; or 2) escalating land values due to urban influences where an acreage increase may not be economical. 12

There appears to be no common factor for the very high scores that occur for M.D. 92, M.D. 52, County 19 and I.D. 8. A correlation coefficient (r) of -0.29 at the .025 level of significance was calculated between the number of acres owned per owner and the Likert attitude score on a municipalities basis. This low correlation does reflect the above comments, as some owners with smaller amounts of owned land or limited ability to expand, would tend to have larger attitude scores possibly expressing a desire for more owned land than in land ownership per se.







## ii) Section B: Differential Measurement Scale

The semantic differential scale was developed using the methodology initially developed by Osgood. <sup>13</sup> As this technique assumes that important cognitive components of a concept can be measured by sets of bipolar adjectival scales, it is important to devise appropriate scales that will measure attitudes. Unfortunately, while studies have used word lists, unstructured conversations, and literature searches, no definitive method has been developed which will insure relevancy. <sup>14</sup> As in the Likert measurement scale development, use was made of the academic and popular literature as well as phone-in radio shows to develop adjective scales. These were discussed with respondents to the pre-test questionnaire, who corroborated the adjectives being used, as well as whether the favourable or unfavourable pole being used was correct.

As each scale represents a continuum between the two adjectives, favourable or unfavourable reponses to the stimulus are shown by the location of the response on an interval scale. Studies by Stagner and Osgood have determined that a seven step interval is preferable. 15

The favourable pole of the scale was scored as 7, the unfavourable pole as 1, with 4 being a neutral score. The summated scale scores are presented in the Questionnaire Summary in Appendix 3. The mean attitude scores are presented graphically in Figure 13. Attitude scores ranged from 2.04 to 4.61, with a total mean score of 3.68. This low attitude mean score may be indicative of a negative attitude towards land ownership generally. The attitude score means, as well as the standard deviations for the 16 scales are shown in Table 14.



FIGURE 13 SEMANTIC DIFFERENTIAL MEASUREMENT SCALE

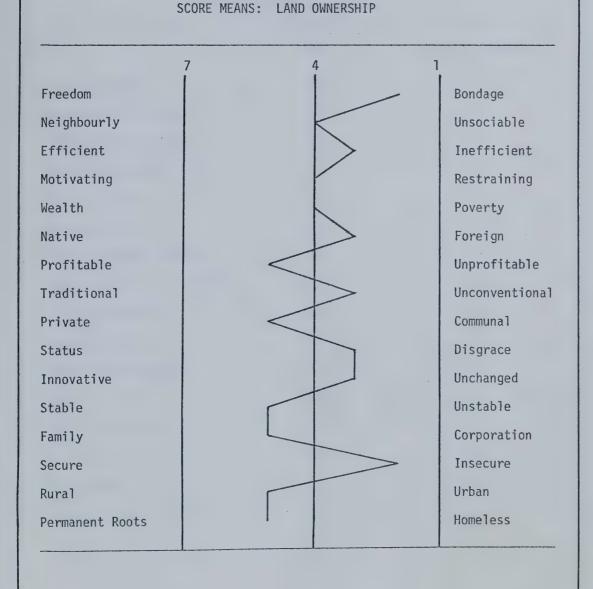




TABLE 14

MEAN AND STANDARD DEVIATION OF SEMANTIC

DIFFERENTIAL ATTITUDE SCALES

	Mean	Standard Deviation
Freedom-Bondage	2.04	0.65
Neighbourly-Unsociable	4.34	0.32
Efficient-Inefficient	2.39	0.41
Motivating-Restraining	4.30	0.32
Wealth-Poverty	4.34	0.32
Native-Foreign	2.94	0.45
Profitable-Unprofitable	4.44	0.45
Traditional-Unconventional	2.96	0.45
Private-Communal	4.51	0.55
Status-Disgrace	2.79	0.63
Innovative-Unchanged	2.97	0.45
Stable-Unstable	4.60	0.71
Family-Corporation	4.56	0.63
Secure-Insecure	2.6	0.02
Rural-Urban	4.57	0.55
Permanent Roots-Homeless	4.61	0.71

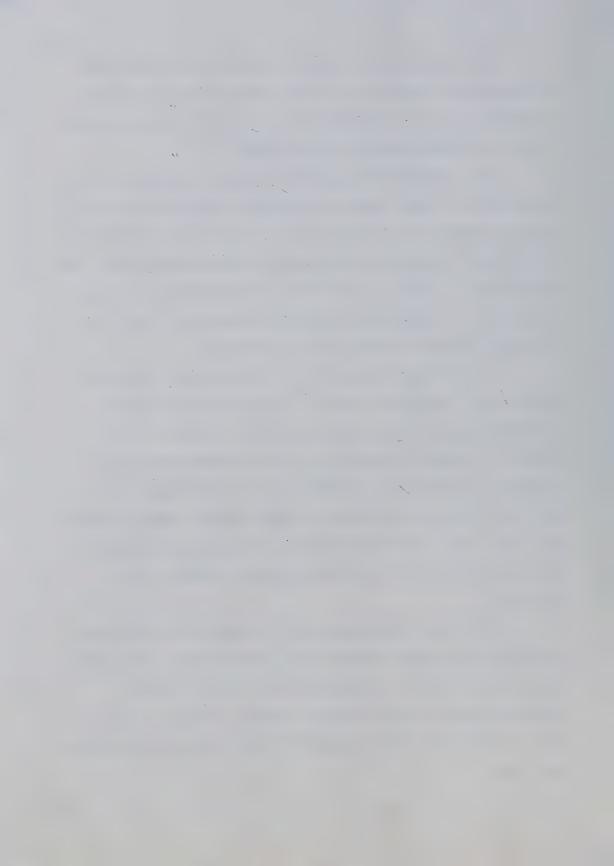


The responses on each semantic differential scale were then correlated with responses to all other scales to form an interscale correlation matrix for testing the internal validity of the scale and for use as the data input for factor analysis.

Factor analysis is a method which is used to analyze a set of observations for intercorrelations, where the variables may be correlated with more than one common factor; and thus, the set of data can be explained in terms of a smaller number of reference variables. The factor analysis output is a set of factors that account for a large proportion of the common variance and the correlations of each of the original measuring scales with these factors. <sup>16</sup>

An image analysis was performed with orthogonal rotation to give a set of independent factors. <sup>17</sup> Factors were interpreted by considering factor loadings greater than 0.35. A summary of the results is included in Appendix 3. It was discovered that some attitude variables (such as permanent roots, rural) loaded high on two factors while another attitude variable (wealth) loaded at greater than one. Thus, these attitude variables are measuring more than one theoretical dimension, and a differentiation of factors is not possible. <sup>18</sup>

Therefore, it would appear that a concept such as land ownership may not have adjectives with unique dimensions that will describe it exclusively; that is, land ownership per se is not specific enough an activity for this analysis technique. Because of this result, no correlations were attempted with the Likert attitude measurement scale.



## iii) Section C, D, E: Analyses of Socio-Economic Variables

These sections of the questionnaire were designed to provide descriptive socio-economic data that could be used to compare characteristics of farm land tenure in Alberta with those found elsewhere as well as relevant respondent statistics that could be correlated with attitude statements. A complete summary of the answers obtained is included in Appendix 3.

The main value products produced by respondents were beef (56.3%); wheat (26.3%); small grains (24.4%); and pasture/forage (25.4%), which is the typical product mix in Alberta agriculture. The respondents tended to own less acreage (average group was 240-399 acres; 97-161 hectares) than the census average for either full owners or part-owners/part-renters. The estimated average market values for farmland, both that owned and rented, were approximately one hundred dollars higher per acre than that calculated by Alberta Agriculture for the 1974-1975 year. In addition, farmers estimated that 53.9% of capital investment on the farm was taken by land (44.5% in mortgages; 9.4% in rent). Most respondents indicated on-farm residence (84.2%) with the acreage farmed unchanged from the previous year (76.6%).

Approximately half of the farm businesses were operated as private individual (49.0%), while husband-wife partnerships and family corporations accounted for 37.4%; this is comparable with provincial census statistics which show an increasing trend away from individual operatorship. This respondent sample may have been atypical in that 47.5% of farm net income was from off-farm sources, which is higher than the provincial average (36%).



The social variables corresponded generally with census statistics. Most of the respondents were in the 35-54 year age groupings (52.9%), had grown up (89.8%) and farmed for those many years in the same location. The formal education level was Grades 6-10 (48.7%); additional experience in other areas outside Alberta was claimed by 35 percent of the sample. Both the identifiable ethnic heritage mix as well as the proportions of family in rural and urban areas reflect general knowledge.

Land was owned by the husband solely (41.9%) or in joint husband-wife ownership (36.9%). It was purchased by 76.4% of the owners, rather than obtained by homestead (7.9%) or inheritance (13.3%) - also an increasing trend elsewhere. Most (61.6%) stated that it would have been impossible to rent rather than purchase the land parcel last purchased.

Approximately half of the respondents (48.6%) farmed detached land parcels away from the farmstead. Of these farmers, 66 percent had land zero to five miles (0-2 kilometres) away, 17.7% had land six to ten miles away (10-16 kilometres) and 15.6% had land ten miles or more (16 kilometres) away. In the latter two categories, the farmer was located near a city (Edmonton, Leduc, Wetaskiwin, Lloydminster) or in marginal farming areas in the extreme south-east, south-west and Peace River district areas. Distance from farmstead did not appear to affect land use, as much as soil, topography, climate.

Only 9.0% of the owners rented some of their land out, usually for crop production (76.1%). They reported that the leasee farmed the land as well or as efficiently as they would have done (80.7%).

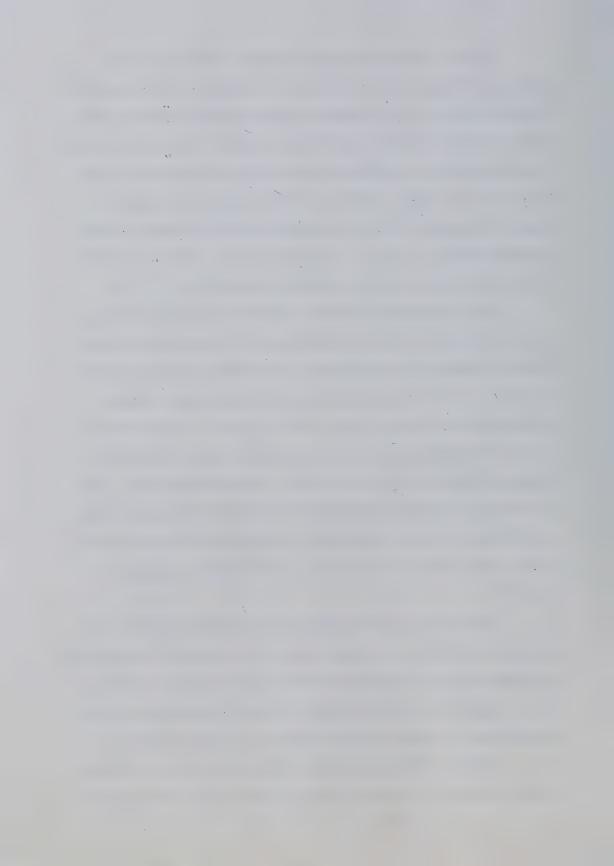


Most of the leases (56.9%) that were reported were for private cultivated land, followed by 13.3 percent for pasture and 10.3 percent for grazing. No respondents reported public grazing leases. A large percentage of the agreements were written (55.4%), with 35.6 percent being 1/3-2/3 crop-share and 43.7 percent being straight cash. Only 1/3 of the leases reported included shared costs between landlord and tenant, and most respondents (83.3%) felt that shared costs would have no effect on farming practices. Land use practices on owned and rented land were reported to be similar.

Most respondents preferred crop-share leases (49.6%) as a method of spreading risk and uncertainty, while a minority (39.1%) liked the freedom of decision-making opportunities under a straight cash lease. Flexible cash-leases or cash-share leases, although reflecting product market prices, were not used. A large number of respondents preferred one to five year leases (44.9%) stating as reasons allowance for change and easier bookkeeping of costs. The rest of the respondents preferred intermediate or long term leases (28.5%; 26.6%) citing longer planning horizons and return on investment. These results are similar to a recent Alberta leasing study. <sup>20</sup>

Many farmers did not receive any advice when making a lease agreement (37.8%); a small number consulted with family (17.3%), with government extension personnel (11.5%) and with written materials, such as magazines, textbooks (15.2%). Type of negotiation was split between owner's request, leasee's request and mutual agreement.

Leasees characterized their landlords as private individuals (59.9%) who they had generally known all their life (48.6%) and who



might be an older relative (35.7%). Most of the landlords had farmed the land (50.8%) and were renting to only one leasee (78.6%). Only a few landlords had been involved with credit or loans for the leasee (18.9%). About 1/3 of the landlords lived on a farm while 63.8 percent lived in an urban community; most of the leased property (82.8%) was within one hundred miles (160 kilometres) of the owner's residence.

Some of these socio-economic variables were then tested against number of acres owned and also acres rented to see if a systematic relationship existed. Cramer's V was the test used to measure the strength of relationship, as it makes a correction for the fact that the value of chi-square ( $\chi^2$ ) is directly proportional to the number of cases involved. (See Table 15.)

It would appear that there is a stronger measure of association between acres rented and the percentage of farm investment required than between acres owned and the investment required. This differs from the reported perceived investment of farmers to land holdings. Measures of association between different sources of income and acreage owned or rented are comparable. Measures of association are higher between cash crops (wheat, oilseed) and acreage owned as well as between pasture crops and acreage rented. There is a higher measure of association between number of years farmed with father for acreage rented than acreage owned, which is probably reflecting intergeneration transfer.

This statistical test was also used for determining a measure of the strength of the relationship between the Likert attitude scale scores favourable to land ownership and acreage owned (V = 0.33); acreage rented (V = 0.35); percent of perceived farm investment - land

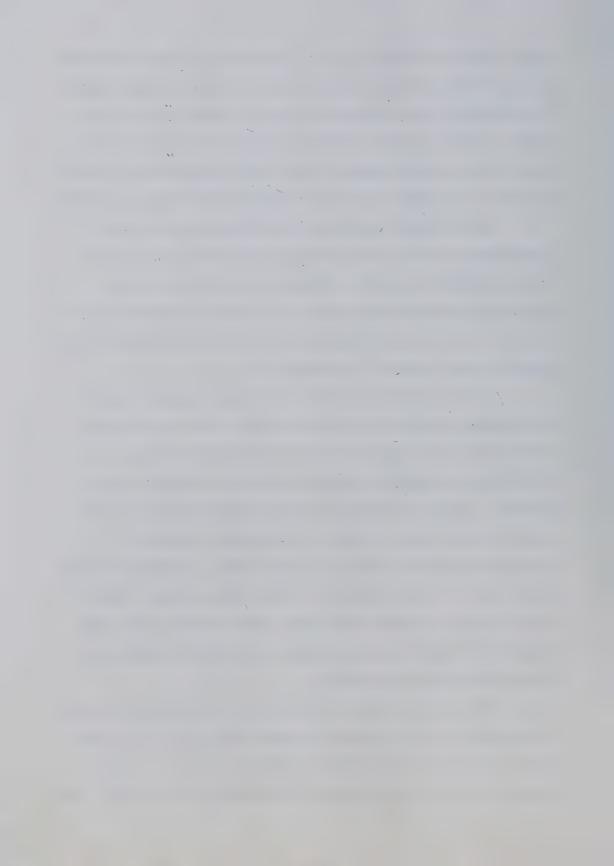


TABLE 15

CRAMER'S V: ASSOCIATIONS BETWEEN ACREAGE

(OWNED/RENTED) WITH SOCIO-ECONOMIC VARIABLES

	Acreage Owned	Acreage Rented
Percentage of Farm		
Investment-Land Owned	.34	
-Land Rented		.50
Source of Income		
-Farm Production	.29	.31
-Off-Farm-Operator	.47	.52
-Family	.54	.67
Type of Production		
-Beef	.21	.22
-Dairy	.21	.15
-Hogs	.13	.15
-Wheat	.29	.24
-Oilseed	.28	.18
-Small Grains	.22	.22
-Pasture and Forage	.15	.31
No. of Years Farmed		
With Father	.33	.44
Age	.12	.18



owned (V=0.17) and percent of perceived farm investment - land rented (V=0.30). These results appear to substantiate the evidence from other areas and seen in the literature, that full farm owner-operatorship is still considered to be a primary goal.

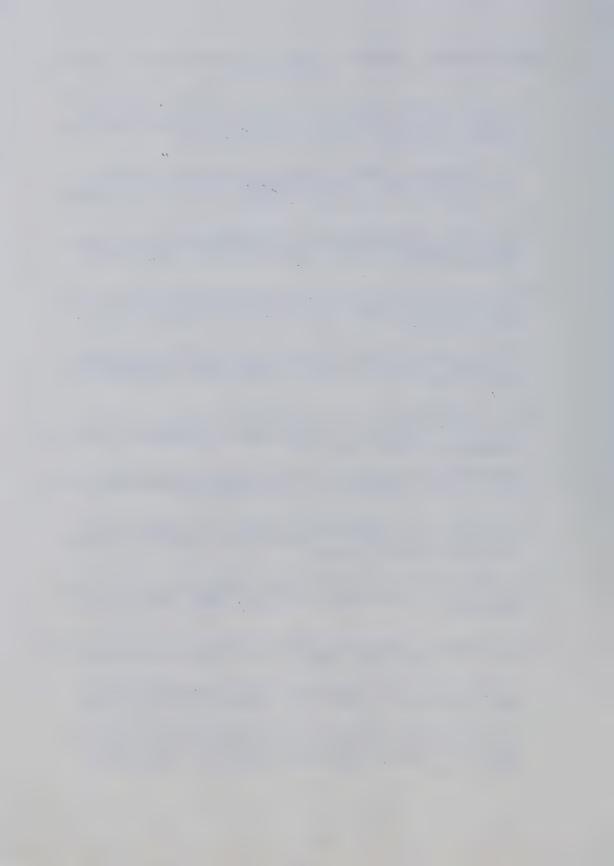
In Section E, all farm respondents were asked to give recommendations for easing the present shortage and/or the high cost of agricultural land, in order to facilitate farm land ownership.

(See Summary of Questionnaire, Appendix 3.) The most frequent suggestion (38%) was to control subdivision of agricultural land and to restrict its use to farmers. Other suggestions however, indicated that there was no problem (11%) in land availability or cost but rather in farm credit (9%), product marketing (10%) or social-extension information (9%) institutions.



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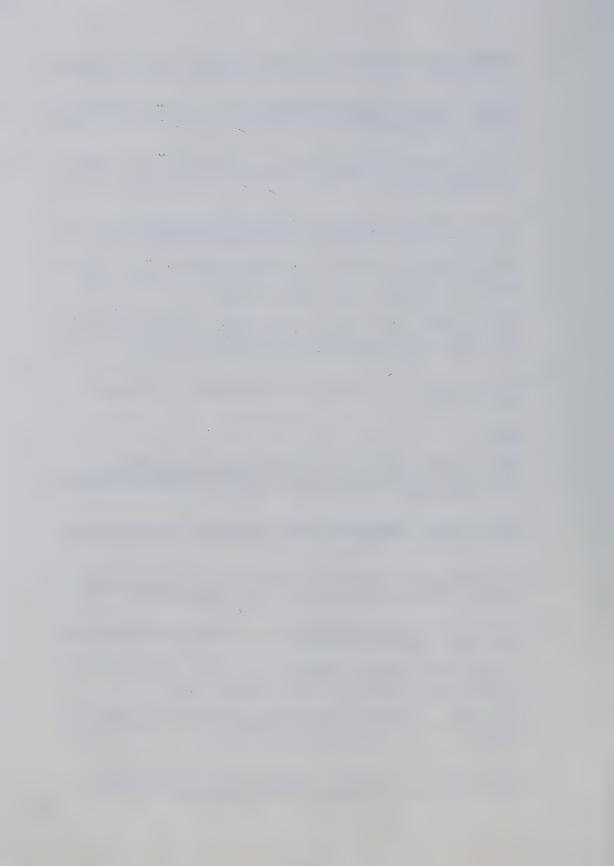
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21 
$$V = \left(\frac{\phi^2}{\min(r-1), (c-1)}\right) 1/2$$

V ranges from 0 to +1; a large value signifies only that a high
degree of association exists.

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#### CHAPTER VI

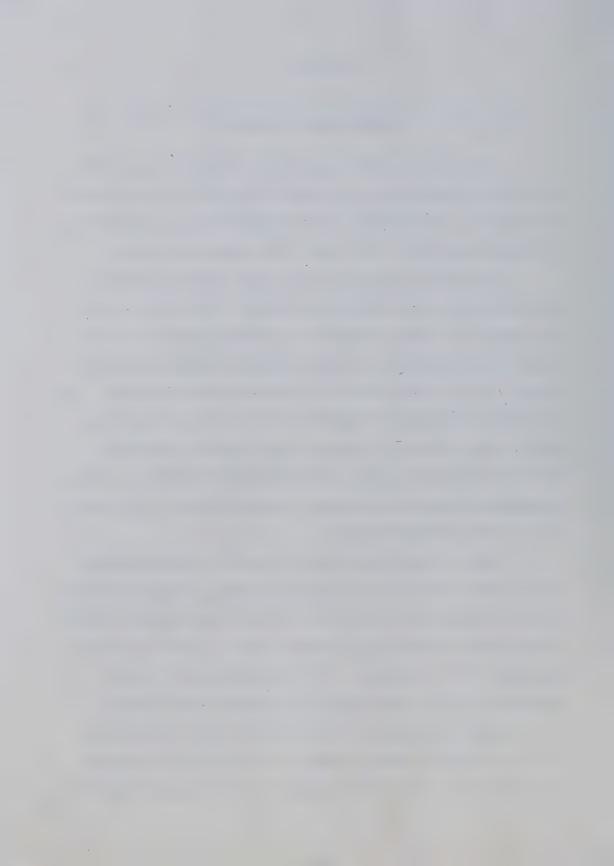
### SUMMARY AND CONCLUSIONS

This study identified major social and economic characteristics and relationships which have been found to affect or be affected by land tenure institutions. These characteristics and relationships were then investigated in the Alberta farm land tenure context.

Major trends in the land tenure system which had previously been identified, were established for Alberta. One trend was that part-owner/part-tenant operatorship is increasing both in number and size of farm operated, even though attitudes of farmers still link income, living standards and status with full owner-operatorship. This was substantiated by direct questions on the mail questionnaire as well as scores obtained by using the Likert attitude scale which measured attitudes favourable to land ownership. In addition, farm respondents who were renting property appeared to have a higher awareness of land investment required.

Using the questionnaire data, it was also seen that although most property transfers are now by direct purchase, rather than inheritance or homesteading, farmers were spending a greater number of years renting land from relatives, presumably before all land for the farm management unit was purchased. This trend might explain the high proportion of off-farm work, both by the operator and his family.

Despite the efforts of the information media and government extension personnel, both the traditional type of farm operatorship (individual-type) and rental arrangements (1/3-2/3 crop share and cash



leases) appear to be changing very slowly, if at all.

Two problems in data hampered this analysis. Census statistics did not differentiate the proportions of land that were rented or owned by part-owner/part-tenant; and thus, it was not possible to determine farm size and structure of this category for comparative purposes. No full tenants answered the survey questionnaire. In addition, only several questionnaires were answered by those farmers holding public grazing leases, farm members of Hutterite colonies and native farmers on reserve or colony land.

One of the purposes for attitude measurement was to try to explain, even predict, behaviour or behaviour change. In the context of land ownership, it would enable planners and legislators to understand attitudes of the general population towards land ownership and what effects any planned changes (or lack of same) would have on social, economic, political and legal institutions. Thus, it was interesting to find that three attitude statement items in the Likert scale indicated socialistic rather than capitalistic philosophies of land ownership. Other attitude statements relating to freedom of ownership (decision-making), leasing and efficiency scored favourable or unfavourable as predicted by the literature. In addition, the statements related to planning mechanisms, such as land banks or tax structure, were scored undecided. It was also found that owners with smaller amounts of owned land or limited ability to expand (due to physical or economic constraints) tended to have larger attitude scores, thus possibly expressing a desire for more owned land than in land ownership per se.

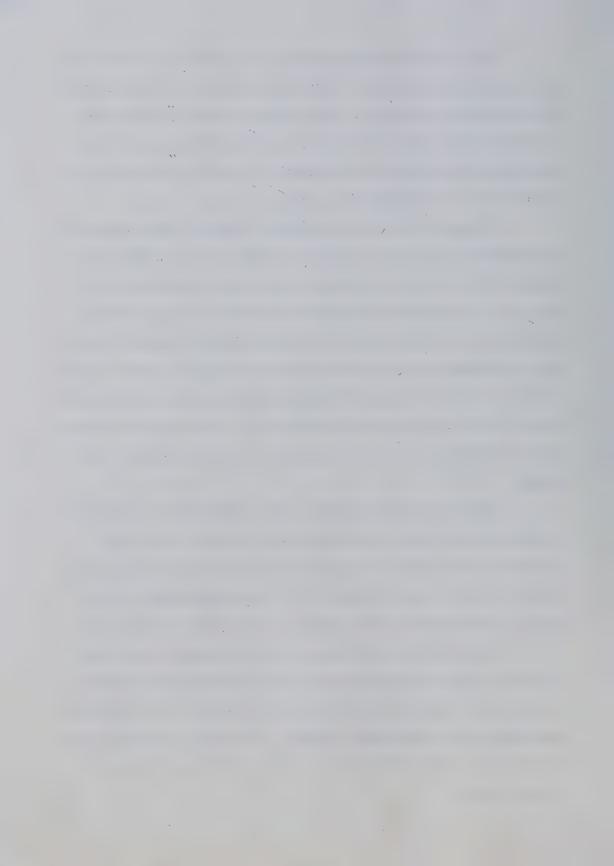


This attitude scale measurement is not sufficient evidence for more government intervention in planning and control of land ownership and use, but the occurrence of high scores on several attitude statements indicating socialistic land tenure philosophies, may indicate a predilection for government involvement in the areas of expanded land availability and controlled land prices.

It was also indicated by answers in Section E that farm people are currently not aware of potential planning mechanisms which could be used. This was seen in the large numbers who favoured only land use zoning. Those people who answered that there were no problems associated with land ownership, indicated a need for increased government involvement in product marketing boards and public credit institutions. It would thus appear that more extension work is needed in the areas of land use planning and ownership by government and farm organizations before any new policy planning or legal structures are introduced.

It was anticipated that the semantic differential measurement technique could be used to corroborate the findings of the Likert attitude scales; however, the nature of the test does not appear to be suitable for mail questionnaires. It is also possible that the concept of land ownership is too complex for measurement by this test.

Not included in the analysis of this thesis were the attempts to define a regression equation using land ownership as the dependent variable and a decision-making matrix of attitudinal and socio-economic variables, as the independent component. High multicollinearity between the variables inhibited variable definition. This may be an area for future research.



Several different types of tenure forms are currently being tried in North America and should be further investigated. These include vertical and horizontal integration, custom farming, production co-operatives, corporate farming, land pooling and restraints on farm size. These forms of tenancy are being used in conjunction with or as substitutes for the traditional forms of tenancy - full owners, partowner and tenant.

Ultimately, however, any system of landed property rights, in North America both now or in the future, will have to be further developed in terms of the major principles affecting land tenure - efficiency and productivity, equitability, privacy and freedom.



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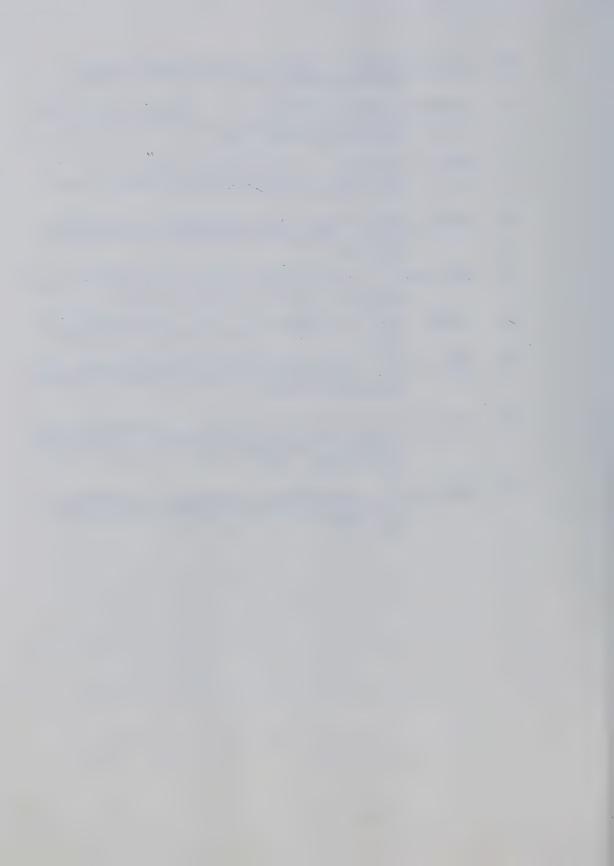
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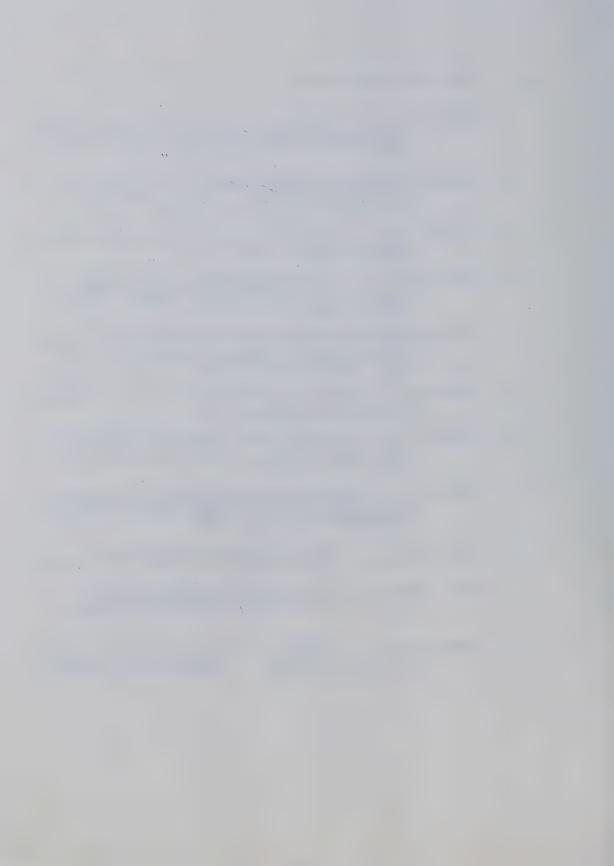


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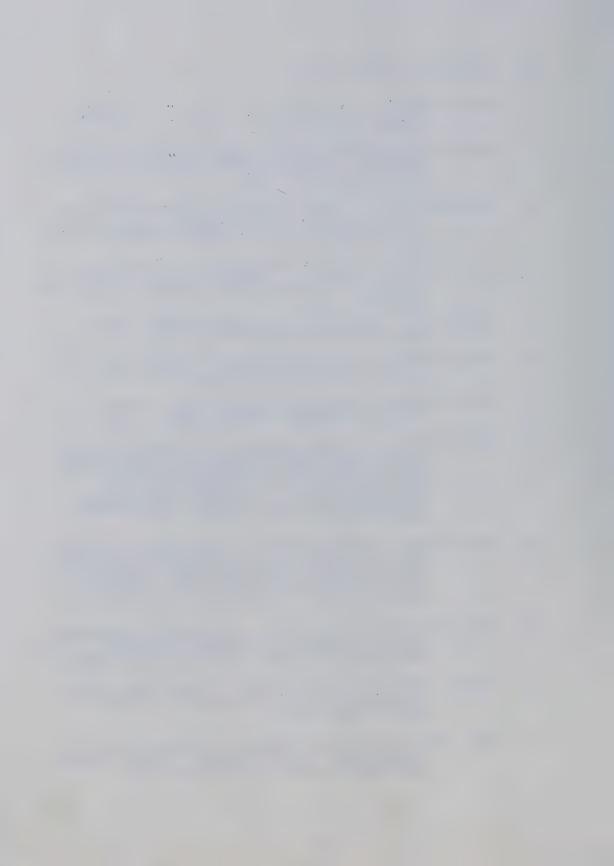
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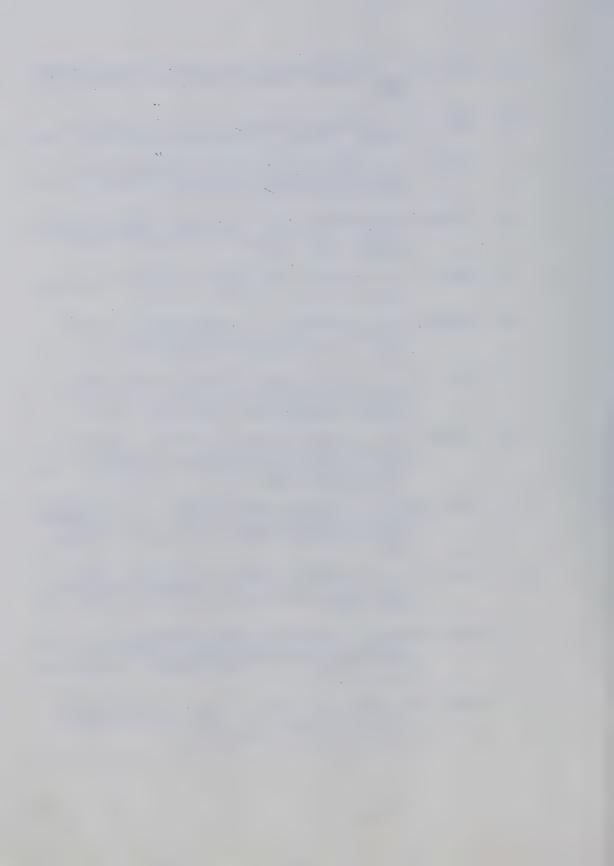
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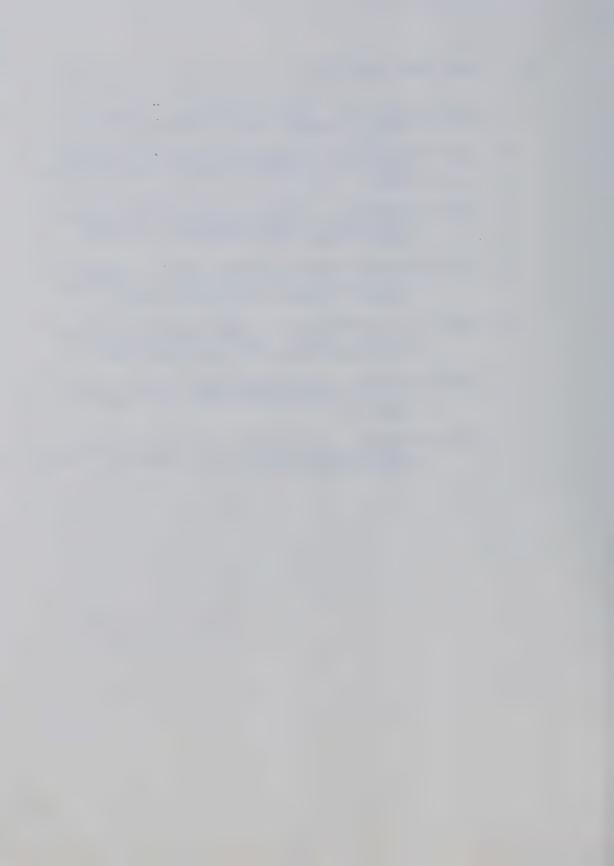


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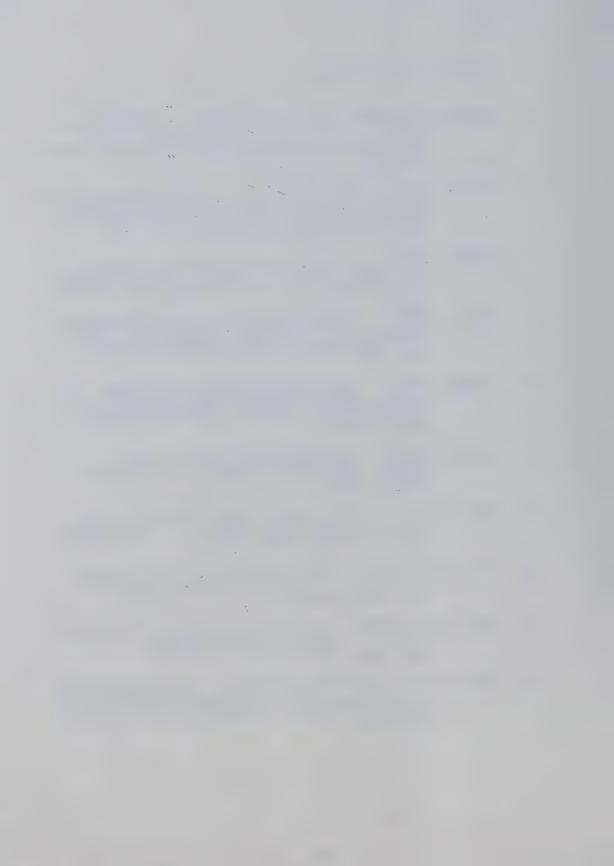
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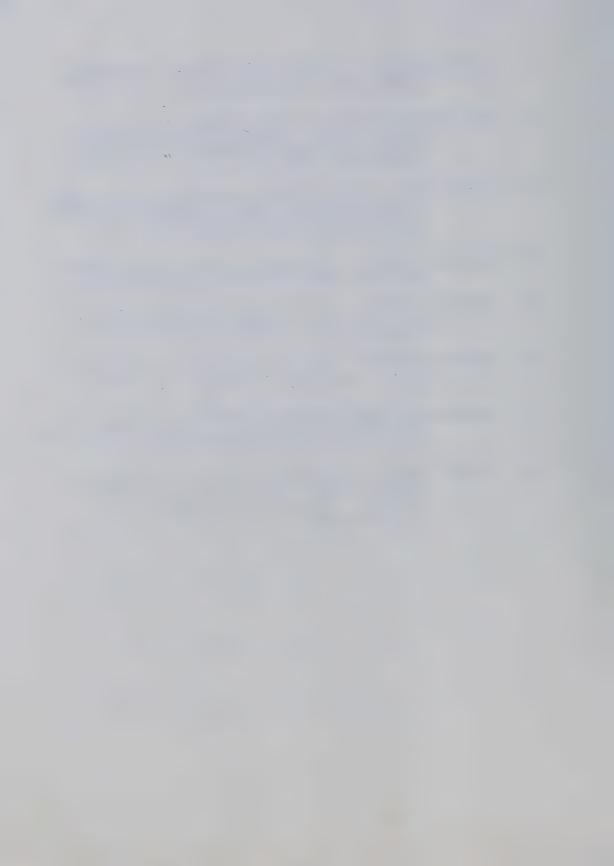
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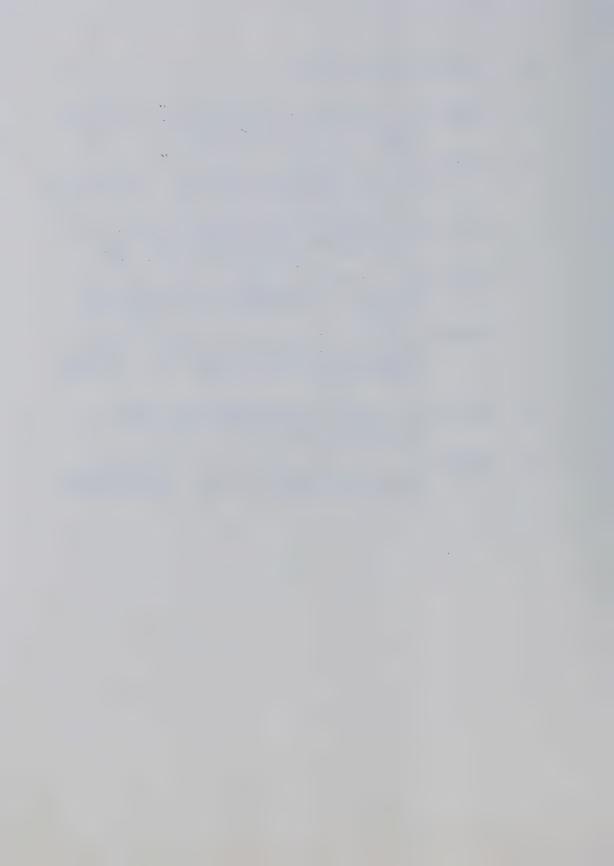
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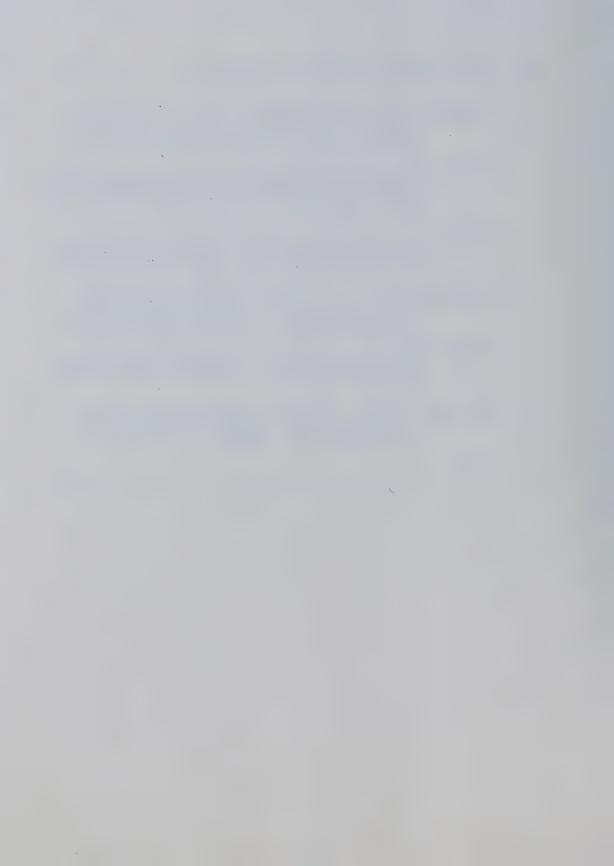
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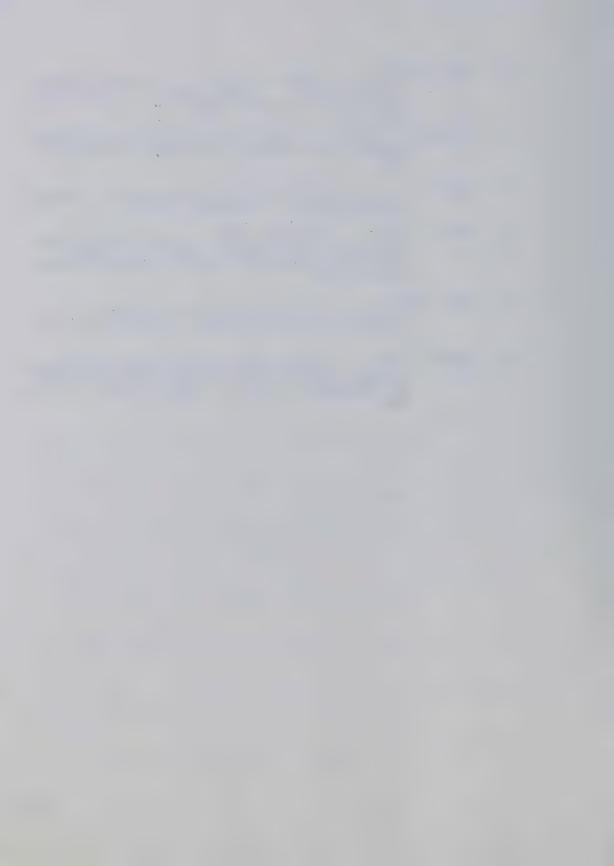
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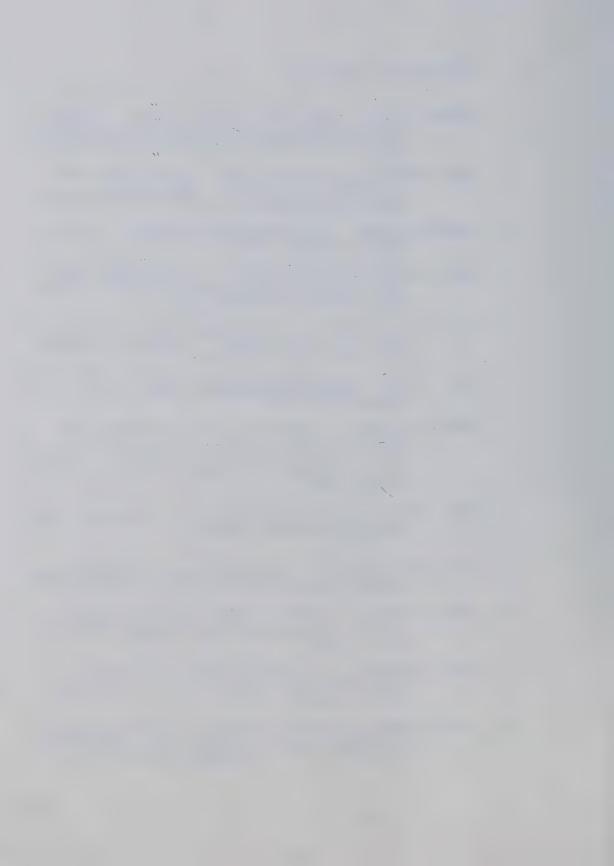


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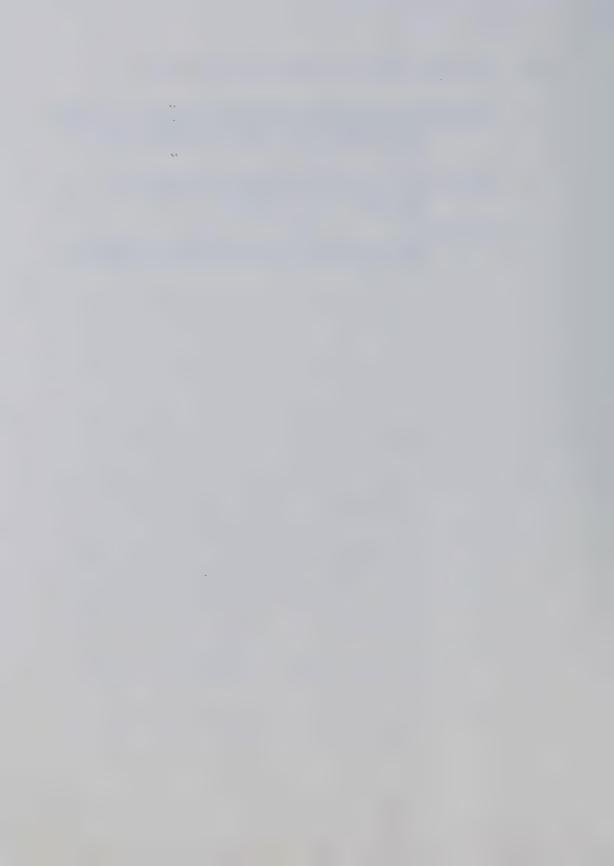


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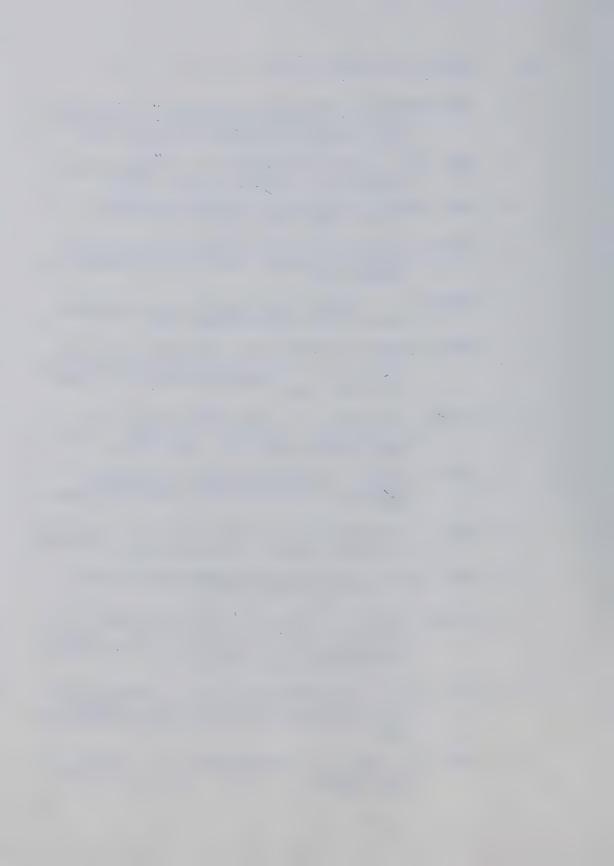
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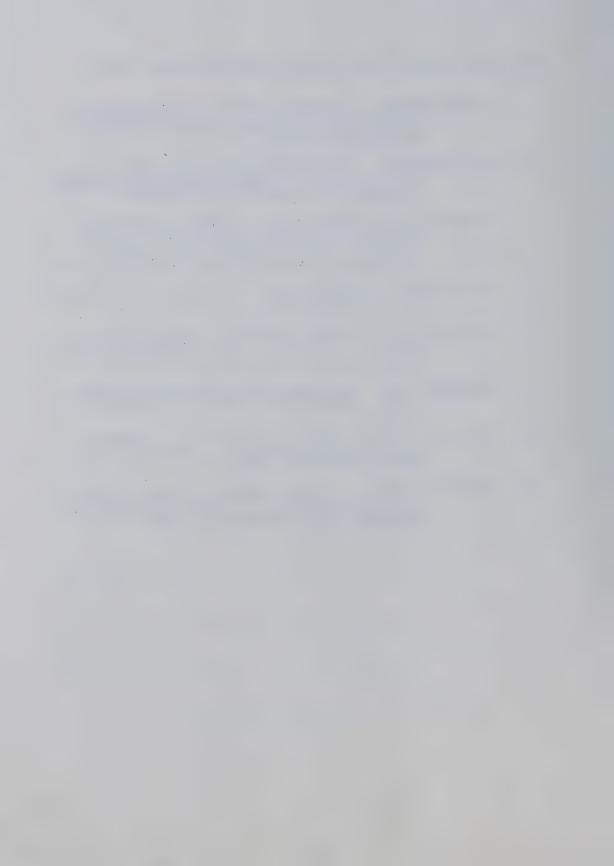
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Appendix I

Disposition of Public Land in Alberta



Table 1

DISPOSITION OF PUBLIC LAND ADMINISTERED BY

ALBERTA ENERGY AND NATURAL RESOURCES

Items	1972 - 1973 (acres)	1973 - 1974 (acres)	1972 - 1973 (hectares)	1973 - 1974 (hectares)
Homestead Leases				
- Civilians	217,477.08	175,930.00	88 009.93	71 196.41
- Veterans	29,940.99	24,229.88	12 116.70	9 805.49
Homestead Sales				
- Civilians	915,069.20	848,240.12	370 315.69	343 270.90
- Veterans	33,820.50	30,310.89	13 686.68	12 266.39
Homestead Lease Loan Sales	8,739.33	7,469.42	3 536.68	3 022.77
Purchase Agreements-Clearing Projects	5,775.73	4,821.77	2 337.36	1 951.30
Public Land Sales	132,169.50	93,985.81	53 487.15	38 034.74
Farm & Rural Development Sales	89,168.14	139,334.06	36 085.10	56 386.54
Farm & Rural Development Leases	27,931.66	47,476.94	11 303.55	19 213.25
Cultivation Leases	120,767.90	113,735.94	48 873.08	46 027.34
Seed Crop Leases	9,656.60	9,656.60	3 907.89	3 907.89
Accrued Area Lease	546.50	546.50	221.16	221.16
Grazing Leases	4,925,326.22	5,024,380.96	1 993 210.57	2 033 296.63
Brazing Permits	730,200.10	806,413.23	295 501.76	326 344.14
liscellaneous Leases	66,548.85	55,091.57	26 931.39	22 294.79
decreational Leases	15,364.57	15,711.30	6 217.83	6 358.14
lineral Surface Leases .	127,414.47	131,306.71	51 562.85	53 137.99
ipeline Agreements	52,610.41	55,201.65	21 290.70	22 339.33
ipeline Installations	493.66	555.78	199.78	224.92
ransfer of Administration & Control to Other Departments	1,774.82	2,023.24	718.24	818.78

SOURCE: Based on statistics of Public Lands Division, Department of Lands and Forests Annual Report for for the fiscal year ended March 31st, 1974.



#### Figure 1

## SUMMARY OF REGULATIONS FOR DISTRIBUTION OF PUBLIC LANDS ADMINISTERED BY ALBERTA ENERGY AND NATURAL RESOURCES

## A. Homestead Sale

#### Eligibility

 applicant must be a Canadian citizen who has attained the age of eighteen years but is less than seventy-one years of age and who has resided in Alberta for a total of one year in the three years prior to making application

Features of Homestead Sale Policy

- land applied for must be at least fifty percent arable
- maximum amount of land which can be obtained is 640 acres (259 hectares) including the land owned by the applicant and spouse
- all land applied for under a homestead sale and the applicant's owned land must be within a ten mile (10.61 kilometres) radius
- land is valued at the time of application and the purchase price
   is payable over a maximum of twenty years
- annual instalments of principal and interest (at six percent per annum) are due in the <u>fourth</u> year of the term if less than twenty-five acres (10.12 hectares) are under cultivation at the time the homestead sale contract is executed
- taxes are deferred until the <u>fourth</u> year if less than twenty-five acres (10.12 hectares) are under cultivation



- <u>cultivation</u> duties are required annually; a title cannot be
   issued until at least forty acres (16.19 hectares) per quarter
   section has been brought to seedbed condition
- residence on the homestead or on a farm of at least eighty acres (32.37 hectares) within a ten mile (10.61 kilometres) radius for a total of twelve months over two or more years with periods of residence of not less than three months in any one year are required. Residence must commence not later than the seventh year of term of the homestead sale
- if the purchaser builds a habitable house worth at least \$1,000 on the land he may be granted a credit of \$2.00/acre (\$0.81/hectare) but not exceeding \$500.00

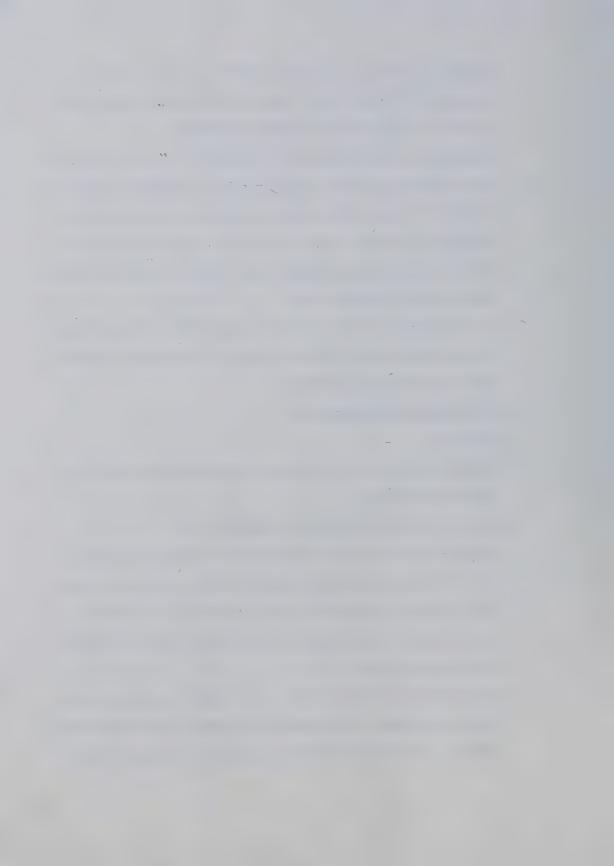
## B. Farm and Rural Development Sale

## Eligibility

- the applicant must be a Canadian citizen who has attained the age of eighteen years

Features of the Farm and Rural Development Sale

- designed to assist established farmers to acquire additional lands; successful applicant determined after considering experience, present land holdings, need and financial situation
- a sale contract normally has no requirements other than payment
   of the purchase price
- maximum term is twenty-five years with interest payable at six percent per annum. The minimum down payment (under certain conditions) is six percent of the sale value. Principal payments



only may be deferred for five years

## C. Farm and Rural Development Lease

Eligibility

the applicant must be a Canadian citizen who has attained the age
 of eighteen years

Features of Farm and Rural Development Lease

- a lease with option to purchase requires that various duties be performed prior to the sale
- a lease with no option may be issued on land in instances where
   the department does not wish to sell
- successful applicant determined after considering proposed plans,
   experience, use made of present land holdings, financial situation
- considerable flexibility afforded relative to duties or requirements
- maximum term for a lease with an option to purchase is five
   years; maximum term for a lease without an option to purchase is
   ten years
- lease rental is two percent of appraised land value plus five
   percent of appraised value for improvements
- lessee pays taxes

## D. Homestead Lease

On March 31st, 1974, there were 666 Civilian Homestead Leases and eighty Veteran Homestead Leases in effect. The issuance of new Homestead Leases was discontinued in 1964. Lessee may obtain title



after complying with certain prescribed cultivation and residence requirements.

## E. Agricultural Farm Sales

The issuance of Agricultural farm sale dispositions has been replaced by the Farm and Rural Development Sale and Lease disposition.

## F. Cultivation Leases

Applications are no longer being taken as it has been recommended that this type of disposition be discontinued. Cultivation leases would be replaced by the more flexible Farm Development Leases. Existing Cultivation Leases will be allowed to continue until their expiry and renewal of these leases will be considered under the Farm Development regulations.

## G. Cultivation Permit

Cash rent is \$2.00/acre (\$0.81/hectare) for cultivated land, \$0.15/acres (\$0.06/hectare) for non-cultivated areas and taxes.

## H. Grazing Leases

- grazing leases are issued for a term of five to twenty years,
   where land is found not suitable for a higher use, such as
   homestead sale, cultivation or recreational purposes
- an applicant for a grazing lease must be eighteen years of age
   or older and a Canadian citizen
- with the approval of the Forest Land Use Branch, grazing leases may be issued in the non-settlement area "Green Area", to established farmers who reside within the settlement area



- all holders of grazing leases are responsible for paying the municipal taxes on the lands leased
- the annual rental of the grazing land is based on the weighted average price of beef cattle for the months of July to December of the preceding year, at Calgary market, not including slaughter steers and heifers, Grades Al and A2; the carrying capacity of the land and the average gain of cattle on grass. The forage value equals average price multiplied by average gain of cattle on grass (250 pounds or 112.5 kilograms) divided by carrying capacity (acres ((hectares)) per animal unit per year). In 1974, the percentage of the forage value used to calculate the rental was fixed by Order-in-Council as follows:

Seven and one-half percent for South "A" District
Six and one-quarter percent for Central "B" District
Three percent for North "C" District

- grazing lease may be assigned to someone eligible to hold a
   Grazing Lease
- assignment fee is fifty percent of the consideration received by
  the assignor and shall not be less than two times the total of the
  current annual rental. Assignment between certain relatives are
  subject to a fee equal to the current annual rental
- maximum lease size cannot exceed an area sufficient to graze six hundred head of cattle unless a larger area can be leased without adversely affecting the interests of others in the district



## I. Grazing Permits

- grazing permits may be issued on public land for the purpose
   of grazing livestock
- the permitee is required to make payment of the annual rental as well as all taxes levied against the land
- the permit terminates on December 31st, following the date of issue and may be renewed at the discretion of the Director

SOURCE: Regulations under the Alberta Public Lands Act, 1966.



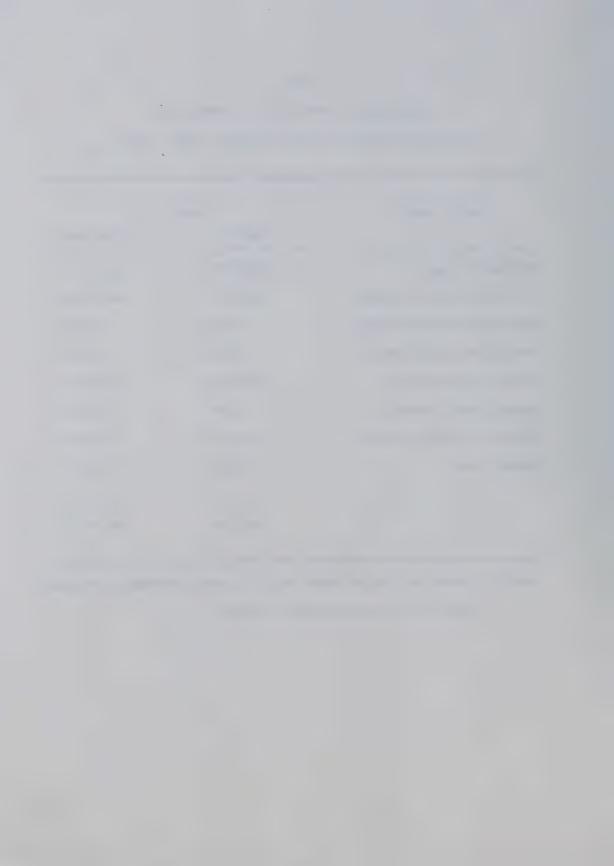
Table 2

DISPOSITION OF PUBLIC LANDS ADMINISTERED

BY ALBERTA MUNICIPAL AFFAIRS (SPECIAL AREAS), 1974

Type of Tenure	Area	
	(acres)	(hectares)
Patented Acreage	1,530,939	619 549.58
Cultivation Lease Acreage	357,721	144 764.68
Cultivation Permit Acreage	2,409	974.89
Irrigation Lease Acreage	2,968	1 201.11
Grazing Lease Acreage	2,895,798	1 171 888.91
Grazing Permit Acreage	7,049	2 852.63
Community Pasture Acreage	175,464	<b>71</b> 007.82
Vacant Lands	11,312	4 577.81
	4,983,660	2 016 817.43

SOURCE: Minutes of Special Areas Board Advisory Committee Conferences, 1974-1975, Alberta Municipal Affairs.



## Figure 2

# SUMMARY OF REGULATIONS FOR DISPOSITION OF PUBLIC LANDS ADMINISTERED BY ALBERTA MUNICIPAL AFFAIRS, (SPECIAL AREAS)

## A. Grazing Lease

## Eligibility

- everyone who has attained the age of eighteen and is a Canadian citizen or is a corporation may apply for a grazing lease or renewal of grazing lease. No grazing lease shall be issued to a corporation unless the majority of its shares are owned by residents of the Province who are Canadian citizens and the lease is for the exclusive use and benefit of the shareholders

#### Term

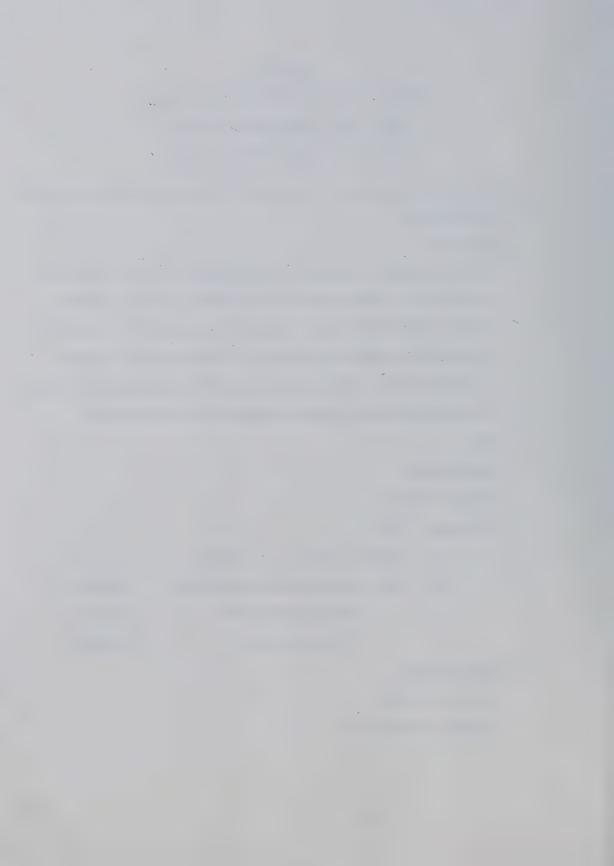
- twenty years
- renewal option
- assignment fee:
  - (a) immediate family \$15.00
  - (b) other average carrying capacity fee/acre

    30 acres/head/year \$.50/acre

50 acres/head/year \$.30/acre

## B. Grazing Permit

- yearly contract
- similar fee structure



## C. Cultivation Lease

- same eligibility criteria as for Grazing Leases
- ten years
- renewal option
- rental consists of cash rent on the uncultivated land plus onesixth share of crop

## D. Cultivation Permit

- yearly contract
- similar fee structure

SOURCE: Regulations under the Alberta Special Areas Act, 1964.



Appendix II



Table 1
ALBERTA FARM POPULATION, NUMBERS AND SIZE, 1921-1971

Year	Number of Farms	Acres Per Farm	Total Farm Area (000) ac.	Hectares Per Farm	Total Farm Area (000) hectares
1921	82,954	353	29,293	142.85	11 854.47
1931	97,408	400	38,977	161.87	15 773.45
1941	99,732	434	43,277	175.63	17 513.60
1951	84,315	527	44,460	213.27	17 992.34
1956	79,424	579	45,970	234.31	18 603.42
1961	73,212	645	47,229	261.02	19 112.92
1966	69,411	706	48,983	285.71	19 822.73
1971	62,702	790	49,506	319.70	20 034.39

SOURCE: Alberta Agriculture, <u>A History in Graphs</u>, 1972 (revised).

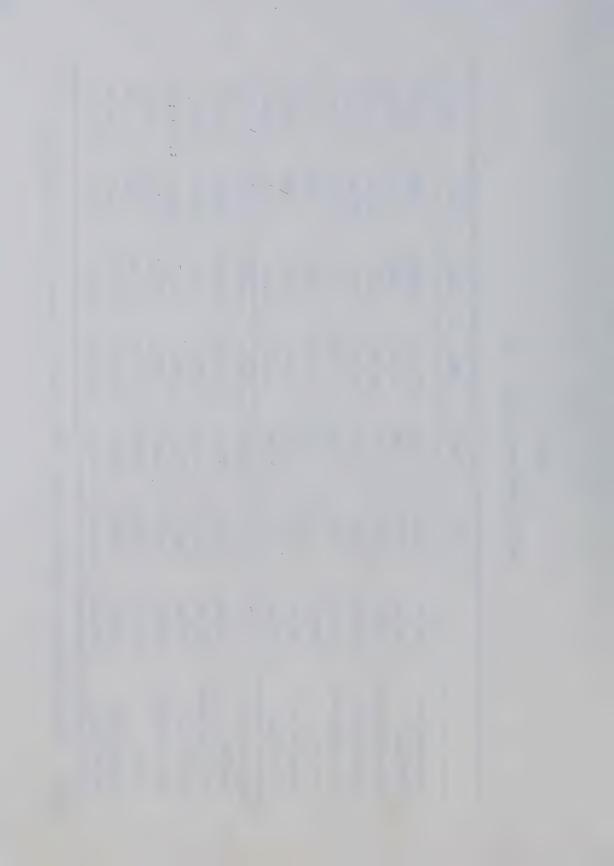
Statistics Canada: Alberta Agriculture, 1971.

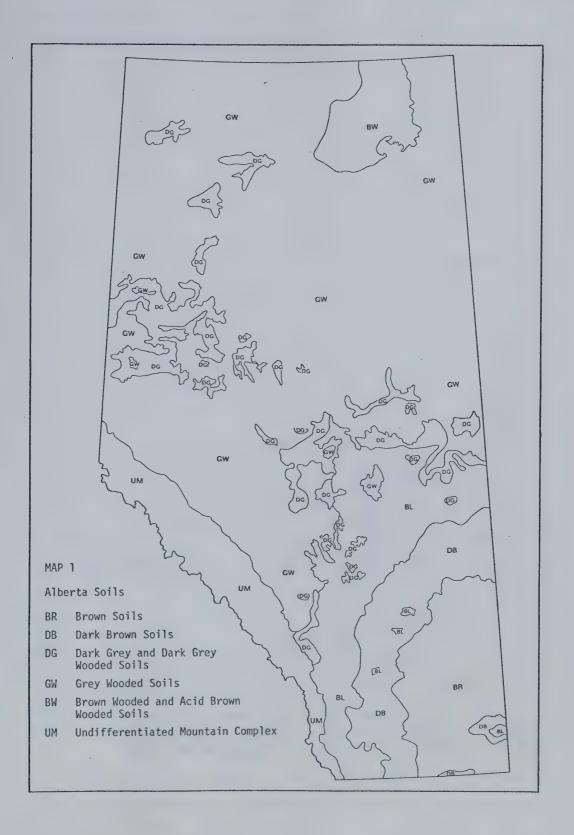


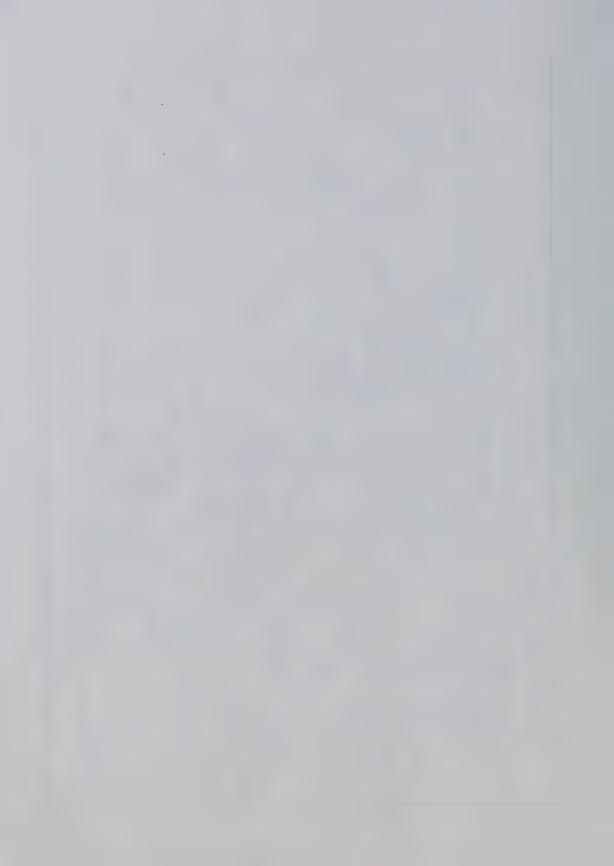
Table 2
ALBERTA FARM LAND USE (1921-1971)

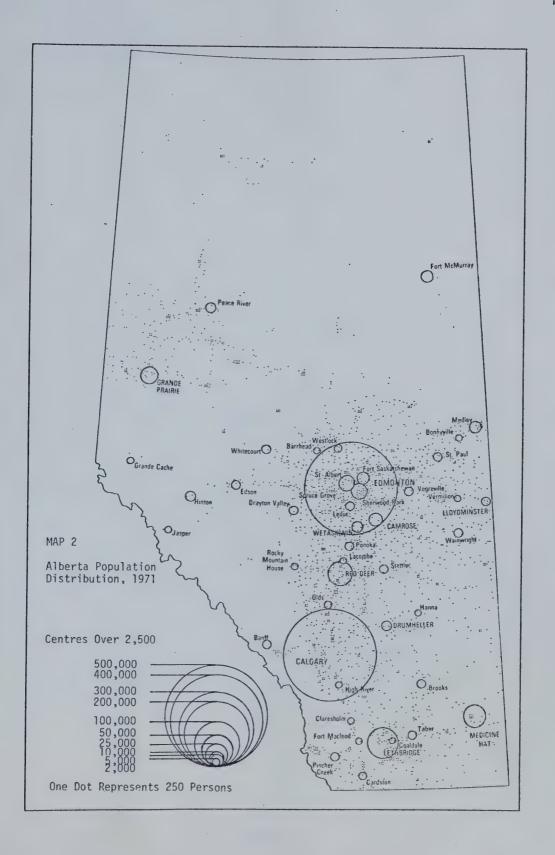
	1361	1931	1941	1951	1961	1971
Unimproved Land '000 Ac. 17	17,525	21,229	23,152	22,189	21,940	21,046
Woodland '000 Ac. 2	2,173	3,894	2,727	2,866	2,138	1,666
Other Unimproved '000 Ac. 15	15,352	17,335	20,425	19,323	19,802	19,380
Improved Land '000 Ac. 11	11,768	17,749	20,125	22,271	25,289	28,460
Other Improved '000 Ac.	169	638	699	536	554	614
Pasture '000 Ac.	157	525	979	1,113	1,670	2,745
Summerfallow '000 Ac. 2	2,918	4,547	6,546	6,195	7,450	7,009
Under Crops '000 Ac. 8	8,524	12,039	12,284	14,427	15,615	18,092
Unimproved Land '000 Ha. 7	7 092.12	8 591.08	9 369.29	8 979.58	8 878.81	8 517.02
Woodland '000 Ha.	879.38	1 575.85	1 103.58	1 159.83	865.22	674.21
Other Unimproved '000 Ha. 6 2	6 212.74	7 015.23	8 265.71	7 819.75	8 013,59	7 842.81
Improved Land '000 Ha. 4 7	4 762.34	7 182.77	8 144.31	9 012.76	10 234.10	11 517.36
Other Improved '000 Ha.	68.39	258.19	270.73	216.91	224.20	248.48
Pasture '000 Ha.	63.54	212.46	253,33	450.42	675.83	1 110.86
Summerfallow '000 Ha. 1 1	1 180.87	1 840.11	2 649.07	2 507.03	3 014.91	2 836.44
Under Crops '000 Ha. 3 4	3 449.54	4 872.01	4 971.16	5 838,40	6 319.17	7 321.58

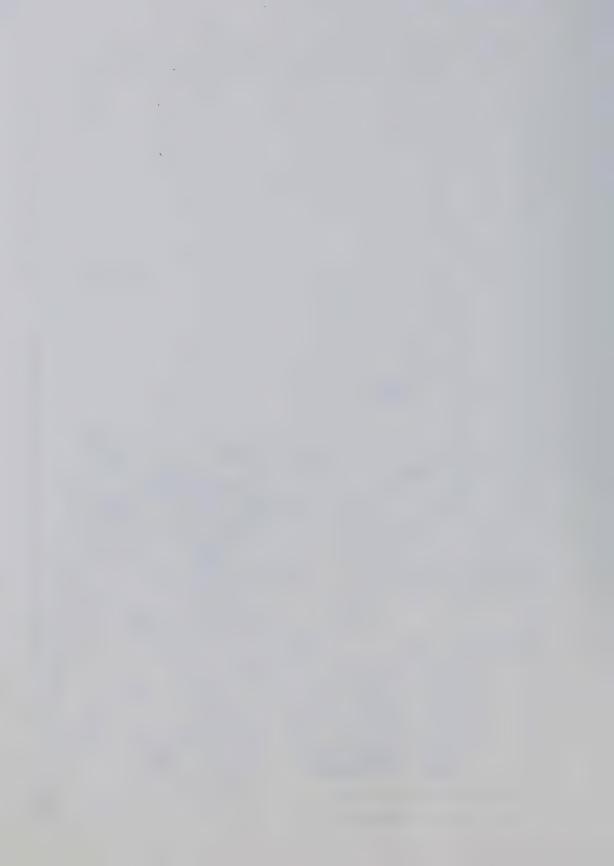
SOURCE: Alberta Agriculture, A History in Graphs, 1972. Statistics Canada, Alberta Agriculture, 1971.











Appendix III





AGRICULTURE

Resource Economics

403/425-9410

Commonwealth Building 9912 - 106 Street Edmonton, Alberta, Canada

T5K 2C8

July 22nd, 1974

Dear Sir/Madam:

Good available agricultural land at moderate prices is becoming scarce. Alberta agricultural real estate values increased by 14 percent last year. The average number of acres per farm in Alberta increased by 22 percent over the last ten years while the number of farms dropped by 14 percent. Almost 50,000 people left farming from 1961 to 1971.

This questionnaire is one part of a survey on rural land owner-ship and leasing. We are seeking to find out how the attitudes of Albertans towards land ownership have been shown in their ownership and leasing arrangements. The second on-going part of the survey is considering leasing arrangements in detail, by personal interview.

The information from these surveys will be published by Alberta Agriculture and will be forwarded to all respondents, in time for use during the public hearings of the Alberta Land Use Forum. This survey has the support of the Alberta Land Use Forum and it is hoped that you will also support it through participation in this mail survey.

Your early response to this questionnaire will be greatly appreciated. If you have any questions concerning this survey, please call me collect at 425-9410 Ext. 259.

Sincerely yours,

1. Boylen

D. M. Boylen,

Resource Economist

:amc



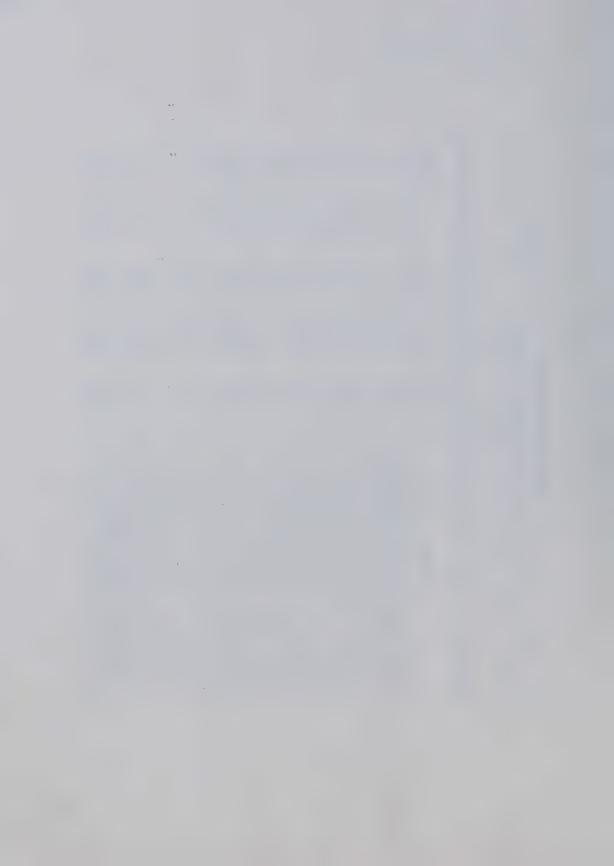
## RURAL LAND TENURE QUESTIONNAIRE

This questionnaire is divided into 5 sections. Please complete all of Sections A, B and E. If you owned land in 1973-74, please complete Section D.

## SECTION "A" 693 Cases

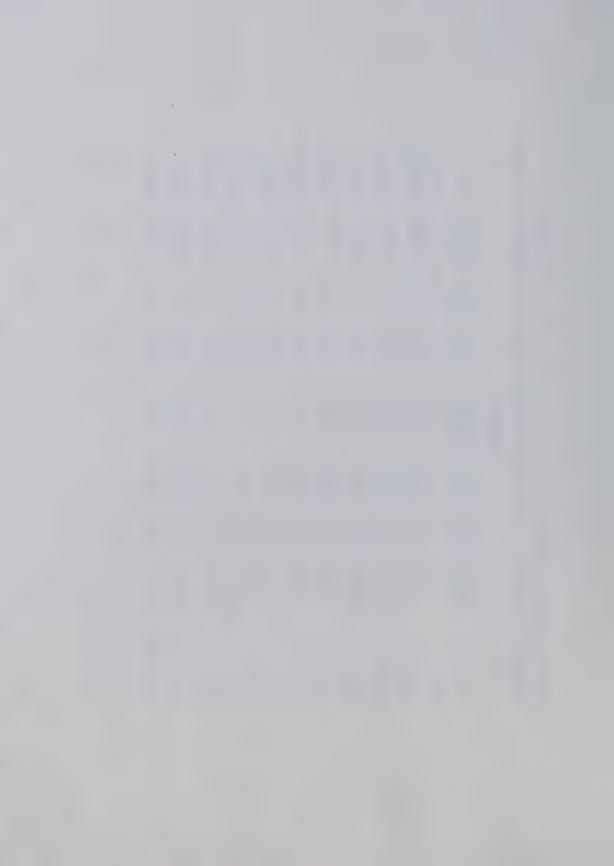
We are interested in your reactions to the following statements. Please check if you strongly agree, agree, are undecided, disagree or strongly disagree with them. If you wish to comment on any statement, please feel free to use the end of the questionnaire.

Strongly	502	282	140	170	20	208	65	205	55	275	21	164	2.10	£0		120	20	154	74
Disagree	348	940	1,312	452	448	564	308	622	556	620	100	858	099	308		572	152	740	724
Undecided	9	141	192	882	264	150	180	201	420	390	7470	105	658	. 20		618	234	261	561
Agree	28	484	414	404	826	508	764	320	659	568	000	188	296	. 210	070	502	392	200	376
Strongly Agree	10	06	58	36	75	100	142	100	915	41	;	44	23	7 7	001	51	61	20	65
Statement	1. The owner has a right to make a profit from his land	<ol> <li>Land ownership gives the freedom to farm the land without interference from government regulation</li> </ol>	3. People rent land only when they lack the cash or credit to buy land	4. Land banks facilitate agricultural planning and help control urban development.	<ol><li>The supply of land for farming is unlimited</li></ol>	7. Farmers who own their own land farm it more		<ol> <li>Higher land taxes would pressure owners to make fuller and better use of their agricultural land</li> </ol>	10. Owning land means less money spent on land in the	il. Land is a community resource		will have to occur.	13. Land banks limit rising land costs	15. The private marketplace is the only fair and efficient mechanism for fairly distributing land	16. Public land ownership would reduce local revenues be-	cause publicly owned land would be removed from the	17, Different renting arrangements can lead to sharing of rick and uncertainty	18. Taking the profit incentive out of land would deprive land development of creative leadership and innovation.	19. inadequate leasing markets and agreements fail to put agricultural land into good use



SECTION "A" (continued)	351 (peni	328 cases	ses										Page 2	
please check ( $\sqrt{\ }$ the category which best corresponds to your impression of the noun/adjective scale as it describes land ownership.	the category	da da	ch bes	8	rresponds	\$	your impress	lon	of the no	/un	adjectiv	9	scale as it	describes land
						AND	LAND OWNERSHIP							
	Extremely		Quite Good		Slightly		Equally Good 3 Bad or Neither		Slightly Bad	·	Qui te Bad	'	Extremely	
Freedom	21	••	18	**	15	••	736	**	99	**	302		112	Bondage
Nelghbourly	301	••	420		90	••	412	**	72	••	102		15	Unsociable
Efficient	35	••	24	**	30	••	204		93		328		99	Inefficient
Motivating	322		300		145	**	356	••	120		92		14	Restraining
Wealth	168	••	264	**	240	**	680		96	**	36		10	Poverty
Native	20	**	36	••	55	**	705	••	84	••	184	**	54	Foreign
Profitable	196	**	378	**	285	**	388	••	117	••	09		7	Unprofitable
Traditional	14	••	24	**	65	••	400	**	201	••	178		35	Unconventional
Private	406		360	••	175	**	308		96	**	26		18	Communa 1
Status	35	••	48	••	50	••	296	••	165	••	234		44	Disgrace
Innovative	42	••	42	**	85	40	328	**	17.7	**	206		34	Unchanged
Stable	280		504	••	195	**	332		28	**	72	••	12	Unstable
Family	448	**	390	**	115	••	336	**	09	••	92	••	24	Corporation
Secure	49	••	42	**	100	**	200	**	144	••	240	••	74.	Insecure
Rural	392	**	384	**	145	**	332	**	84	**	82		15	Urban
			000		107		000		6.3	:	99		22	Homeless

Permanent Roots



SECTION "B"

Page 3

We would like you to answer the following questions, so that we can classify your answers statistically. All answers are CONFIDENTIAL.

Small Grains 24.4 Vegetables Sugar Beets Other meridian CROPS See Map for Locations township Pasture & Forage Potatoes Oil Seed Wheat 100.001 section 2. What are the main value products produced on your farm? Poultry Horses Other LIVESTOCK What is your land location? Beef 56.3 % Hogs 18.3 % Hogs

in comparison with last year's total acreage, is this an increase 14.6%, decrease 8.8% or the same 76.6%? \$245.00/acre \$231.00/acre estimated market value av. av. group 240-399 acres av. group 70-239 acres How many acres are you farming in 1974? Do you operate your farm business as: acres rented acres owned

- other than family Other (Please specify) Corporation - family p rormal 4.4%= informal 6.7%= hubband-wife 26.9%Sub-Total 38.1%Partnership - formal Private individual 49.0% 0.7% Co-operative

9 - 12 months 84.2 % How many months have you lived on your farm in the past year (June, 1973 - June, 1974)? 5 - 8 months 3.2 % 9.1 % 1 - 4 months 3.4 % did not live on holding 9 'n

in the past year, the main sources of net income on your farm were: 47.5% of the farmers questionned, had off-farm income.

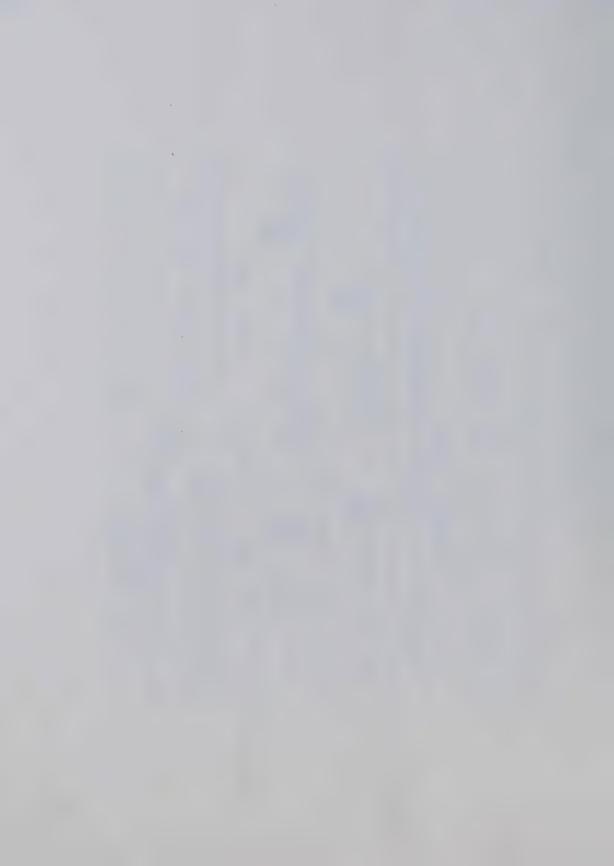
80.03 29.73 of the cases 85.03 of the cases 25.03 of the cases 8.03 of the cases if there was Off-farm Employment, it accounted for:
- by Operator
- by Wife & Children Farm Production Other

7. What do you think are the percentage values of your farm investments?

Machinery & Equipment Feed & Supplies - rented Land - owned Buildings Livestock

53.9%





Page 5

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80,84,84 11 10 10 10 10		Don't know 7.5 %		4) plus 25 mi51%.	1 1		ND 19.3 %	
41.9 % c) by single person (e.g. widow) $\frac{8.1\%}{36.9\%}$ d) by joint ownership, with other than spouse $\frac{6.5\%}{0.6\%}$ e) other (please specify) TOTAL	mership of this land? d) inheritance/gift $\frac{13.3\$}{26.1\$}$ e) other (please specify) $\frac{2.4\$}{26.7\$}$ $\frac{56.1\$}{50.7\$}$	Would it have been possible to rent the land you last purchased? NO $61.63$ Don't bosen't apply $19.03$	icreage is used for:  d) unimproved pasture $6.7\%$ e) woodland $6.7\%$	s of land from your main farmstead? NO 51.4 % NS 11.0 % NS 11.2 %	Different soil type (4) 5.	her farmers?  VES 9.0%  LAND USE	Crops 76.1% basture $\frac{22.4\%}{1.4\%}$ Woodland $\frac{22.4\%}{1.4\%}$ VES 80.7% together (3)	ertilizer (2) 2. Not knowledgeable about the area (2).
. Now was your land owned? a) by husband b) by husband and wife	2. How did you come to have ownership of this land?  a) homestad b) purchase from relatives $\frac{26.1}{50.1}$ % c) purchase from others	3. Would it have been possible bossible bossn't apply 19.0%	4. Of the land you own, what acreage is used for: a) crops b) summerfallow c) improved pasture	5. Do you farm any detached parcel if YES, how far away are they? is the land use of these section	If YES, why? 1. Suited j	6. Do you rent any land to other farmers? If YES, what is the land use?	Does your leasee farm the land as well or as Why? 1. Plan operation together (3)	Why not? 1. No use of fertilizer



SECTION "D" 397 Cases

Page 6

Please answer this section if you are farming RENTED land this year (1974).

1. What type(s) of land lease(s) do you have? How long have you held these lease(s)? What is the length of the present

יייייייייייייייייייייייייייייייייייייי			10 04 10 10 10 10 10 10 10 10 10 10 10 10 10	
TYPE OF LEASE	NO. OF ACRES	NO. DF YEARS HELD	PRESENT LEASE	\$ OF TOTAL
Private Cultivated Land	••••	•	•	56.9
Public Cultivated Land	•		:	30.0
rivate Grazing			* * * *	7007
Pasture	:		• • •	300
> 0	•		• • • •	2 10 00 00
Water Richts		• • •	• • • • • • • • • • • • • • • • • • • •	200
Public Grazing	•		•	2.2

2. Are the lease agreement(s) written or verball How is the rent paid? Please check the appropriate columns.

TYPE OF LEASE	AGREEMENT	MENT		þ	VPE 0	22 24 24 24	TYPE OF RENT/SHARE	ш	
	Written	Written Verbal	Crop Share 1/3-2/3 40-60 1/4-3/4 Other	s 6-07	h a r e	Other	Straight	Cash Straight Flexible	Combination Crop & Cash
Private Cultivated Land Public Cultivated Land Private Grazing Pasture Hay Water Rights Public Grazing									
	55.4%	55.4% 44.6%	35.6% .8% 1.4% 6.6%	\$5	1.4%	6.6%	43.7%	20.0	5. 3%



SECTION "D" (continued)

Was there sharing of expenses? (Please write in type of lease.) If you have more than three types of leases, please write in the most important ones to your farm operation.

Page 7

TYPE OF LEASE

12.8% NO 87.2%	38.1% NO 61.9 %	23.0% NO 77.0 %	21.0% NO 79.0 %	27.0% NO 73.0 %	29.0% NO 71.0 %	9.0% NO 91.0 %
YES	YES	YES	YES	YES	YES	YES
Taxes	Fertilizer	Machinery & Equipment	Fencing	Seed	Weed Spray	your share Other (pase specify)

Would the sharing of costs have any effect on how you farmed the rented land? VES 16.7% NO If YES, what would you do differently? 1. More use of fortilizer (17) 2. More use of herbicides (6) Do fencing(4) 4.Do Land improvements (e.g. clearing, breaking, levelling) (4) . 14 83

79.4% 2 By mutual agreement 20.03 YES 38.6% 2 1. By price of main/beef (7) is there provision for lease renewal(s)? VES 61.4  $^{\circ}$  is there provision for adjustment of the rent or share during the lease? If YES, how is the adjustment determined? is there provision for lease renewal(s)? Option to purchase (2) ທ່

YES This year, are you farming the rented land in the same manner as the land which you own? Weed Spray Type of Crop 13.1% 22 86.9% Summerfallow YES Fertilizer YES Please indicate why there are differences. ý,

What kind of rent do you prefer? Straight Cash 39.1 % 7.

3.6 %

Combination of Cash & Share

49.6%

9.5.8

22

90.5%

Less risk for tenant Share profit or loss Livestock Share Less complicated Crop-Share 2) 3 No arguments about bookkeeping Freedom to do as please Flexible Cash or crop type Convenient

Why?

Flexible Cash-reflects market prices

3) 2) 1



SECTION "D" (continued)	8. What length of lease(s) would you prefer?  Short-term - I year = 6.5 t Intermediate - 5 - 10 years 28.5 t Long-term - greater than 10 years 38.1 t 10 years	9. What information or whose advice do you seek out prior to making a lease agreement?  None 37.6 % District Agriculturist/Government Personnel 11.5 % Lawyer Family 17.5 % Agricultural Consultant Neighbour 6.6 % Newspaper/Hagazine/Textbook 15.2 % Government Publication 9.8	10. How did you choose this type of agreement?  Your Request 23.7 % Typical in District 13.2 % Professional Advice 4.0 % Typical in District 13.2 %	11. Your main landlord? Private individual-59.9%; Government-26.9%; Company-15.3%.  a) How long have you known him? Lifetime 48.6% Number of years 1-5 yrs14.0%; 6-10 yrs10.75;+10 yrg 26.7%  b) Are you related to the owner? YES 35.7% NO 64.3%  If YES, what relation? Pather-Son - 41.6%; Pather/Nother-in-Lau - 21.1%; Brother-in-Lau - 21.1%; Unale/Pint-	c) Did he ever farm the land you rent? Bon't know 14.3% YES 50.8% NO 34.2% 10.6% Other-2.4% d) How many farmers rent from him? Number of farmers 1 - 78.6%; 2 - 13.8%; Hone thou? - 2.6% e) Has he ever backed a loan/given credit to you? YES 18.9% NO 81.1%. f) Where does the landlord live? On a farm in a rural area 3.3.4% in rural village/town 26.1%	. 1 mile - 34,2%; 1-99 mile	. Please answer this section regardless of whether you owned or rented land. 1. What are your recommendations for easing the present shortage and/or high cost of agricultural land today?	
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Dear Sir/Madam:

A short time ago, a survey questionnaire on rural land tenure was mailed to you.

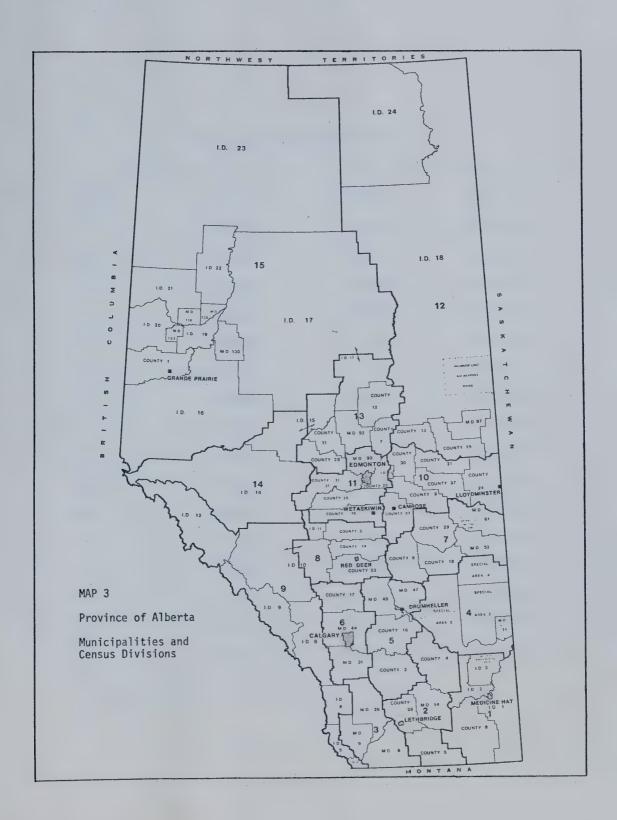
If you have replied, THANK YOU.

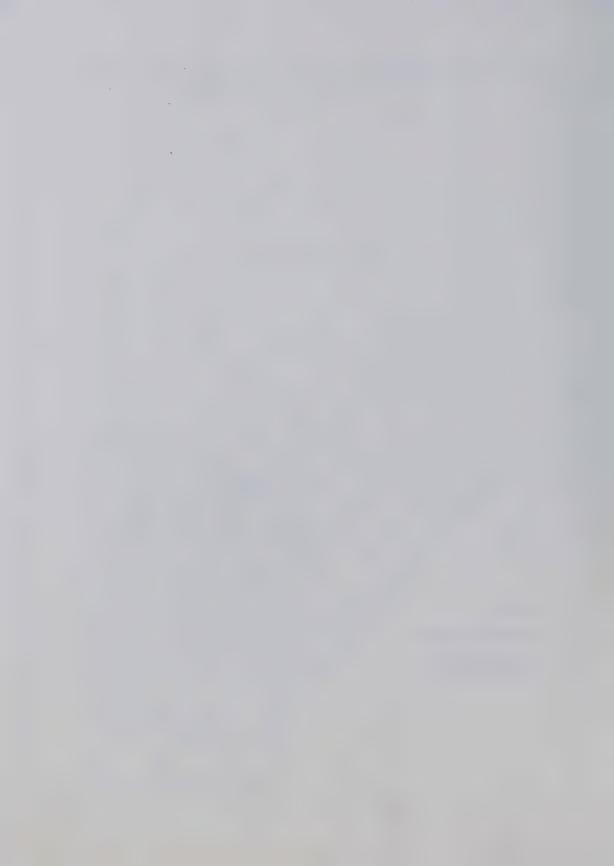
If you have not, please do so TODAY. Your attitudes and answers on land tenure are necessary for the successful completion of the report. Thank you.

D. M. Boylen,

Resource Economics Branch







## FACTOR SCORE COEFFICIENT MATRIX

Variable	Factor 1	Factor 2	Factor 3
1	-0.535014	-0.347110	-0.023954
2	0.214464	0.302950	-0.106584
3	-0.409579	-0.317009	-0.187107
4	0.120667	0.185268	-0.027055
5	0.072036	-0.023918	-1.091097
6	-0.131127	0.002133	0.472271
7 .	0.104308	0.058281	-0.838014
8	-0.250189	-0.159096	0.124951
9	0.154575	0.251537	0.070725
10	-0.253639	-0.119370	0.372196
11	-0.303341	-0.161121	0.464581
12	0.101525	0.074808	-0.637467
13	0.139857	0.295242	0.424729
14	-0.372369	-0.245230	0.089748
15	0.225113	0.449260	0.676938
16	0.383808	0.544112	0.148100









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